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Winter Park, FL
32789

P.O. Drawer 200
Winter Park, FL
32790-0200

Tel: 407-740-8575
Fax: 407-740-0613
tmi@tminc.com

REC'D TN
REGULATORY AUTH.

'00 SEP 7 PM 1 21

September 6, 2000
Overnight Delivery

OFFICE OF THE
EXECUTIVE SECRETARY

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
P.O. Box 3412
Nashville, Tennessee 37243-0505

00-00783

RE: Application and Initial Tariff of **Access Point, Inc.** for Certificate of Convenience and Necessity to Provide Local Exchange Telecommunications Services

Dear Mr. Waddell:

Enclosed for filing are the original and ten (10) copies of the Application and Tariff of Access Point, Inc. for a Certificate of Convenience and Necessity to Provide Local Exchange Telecommunications Services.

Also enclosed is a filing fee in the amount of \$25.00.

Please acknowledge receipt of this filing by date-stamping the extra copy of this cover letter and returning it to me in the self-addressed, stamped envelope provided for this purpose.

Any questions you may have regarding this filing may be directed to me at (407) 740-8575. Thank you for your assistance.

Sincerely,

Thomas M. Forte
Consultant to Access Point, Inc.

Enclosures

cc: Brian Gilman, Access Point
file: Access Point - TN Local
tms: TN10000

BEFORE THE TENNESSEE REGULATORY AUTHORITY

REC'D TN
REGULATORY AUTH.

'00 SEP 7 PM 1 21

In the matter of the Application of
Access Point, Inc.
for Authority to Provide
Facilities Based Competing Local
Telecommunications Services

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OFFICE OF THE
EXECUTIVE SECRETARY

00-00 783

**APPLICATION FOR AUTHORITY TO PROVIDE
FACILITIES BASED LOCAL TELECOMMUNICATIONS SERVICES**

Pursuant to applicable Tennessee Statutes and the Rules and Regulations of the Tennessee Regulatory Authority and Section 253 of the Federal Telecommunications Act of 1996 ("Act"), Access Point, Inc. ("Access Point") respectfully requests that the Tennessee Regulatory Authority ("TRA") grant to Access Point authority to provide facilities based local telecommunications services, including exchange access telecommunications services, within the State of Tennessee. Access Point is willing and able to comply with all applicable rules and regulations in Tennessee pertaining to the provision of facilities based competing local telecommunications services.

In support of its Application, Access Point submits the following:

1. The full name and address of the Applicant is:

Access Point, Inc
1100 Crescent Green, Suite 109
Cary, NC 27511
Telephone: (919) 851-4838
Facsimile: (919) 851-5422
Toll Free: (877) 419-4274

Questions regarding this application should be directed to:

Thomas M. Forte, Consultant
Technologies Management, Inc.
210 Park Avenue North
Winter Park, FL 32789
Telephone: (407) 740-8575
Facsimile: (407) 740-0613
Email: tforte@tminc.com

1. *(continued)*

Contact name and address at the Company is:

Brian P. Gilman, Vice President of Finance

Access Point, Inc.

1100 Crescent Green, Suite 109

Cary, NC 27511

Telephone: (919) 851-4838

Facsimile: (919) 851-5422

Toll Free: (877) 419-4274

2. **Names and addresses of all officers in Tennessee.**

The names and addresses of the Applicant's principal corporate officers and other senior managers responsible for Tennessee operations are listed in Attachment A of this application.

3. **Corporate Information.**

Access Point, Inc. is a North Carolina Company incorporated on April 30, 1996. A copy of Access Point's Articles of Incorporation is provided in Attachment B, and a copy of Access Point's Authority to transact business in the State of Tennessee is provided in Attachment C.

4. **Repair and Maintenance Information.**

Access Point understands the importance of effective customer service for local service consumers. Access Point has made arrangements for its customers to call the company at its toll-free customer service number of (800) 957-6468. In addition, customers may contact the company in writing at the headquarters address. The toll-free number will be printed on the customers' monthly billing statements.

Access Point will be responsible to the customer for repair and maintenance in accordance with the terms of its tariff. As a reseller, Access Point will request and monitor all repair and maintenance services for its customers through BellSouth.

5. Status of Access Point in other states.

Applicant has received approval to provide local exchange telecommunications services in Alabama, Florida, Georgia, Maryland, New York, North Carolina and South Carolina. The Company has also received certification to provide interexchange toll services in 47 states. No application has been denied.

6. Financial, Managerial and Technical Qualifications.

Access Point possesses the managerial, technical and financial ability to provide local and long Distance telecommunications service in the State of Tennessee as demonstrated below.

6.A. Financial Qualifications

In support of Access Point's financial qualifications, a copy of the Company's most current audited financial statements is submitted as Attachment B.

Access Point, Inc. ("Access Point") has sufficient financial capability to provide the requested telecommunication services in Tennessee, to maintain these services, and to meet its lease and ownership obligations through current debt, financing facilities, equity contributions and currently contemplated additional equity financing. Access Point has a fully funded business plan that includes projected operations in Tennessee.

Provide the cost of the proposed network, switches, or unbundled network elements

The cost for unbundled network are being negotiated with BellSouth and are currently not available.

6.A. Financial Qualifications *(continued)*

Provide details of the funding for the proposed network, equipment purchases, or payment for UNEs such as, a) internally generated funds (cash, marketable securities); (b) letters of credit; (c) loan commitments; (d) vendor credit; and (e) provide a three (3) year capital budget outlining the specific equipment to be deployed, where it will be deployed, and its cost. This should cover Tennessee operations, as well as the parent company (or whoever is responsible for financing the Tennessee operation)l Also provide the sources of capital.

No specific network or equipment is currently planned for construction or deployment in the state of Tennessee. As noted above, and as described in the notes to the audited financial statements, Access Point has obtained specific equipment financing for underlying facilities investments that will support Tennessee operations.

Indicate whether financial statements reflect any amounts related to reciprocal compensation for terminating ISP traffic and quantify these amounts, if any.

Not applicable.

Summary

As noted in the analysis documented above, the Company has prepared adequately for its venture into the local exchange services and long distance market. The Company has sufficient financial capability to provide the requested telecommunication services, meet all lease and maintain a large Customer base.

6.B. Managerial Qualifications

As shown in Attachment F to this Application, Access Point has the managerial expertise to successfully operate a telecommunications enterprise in Tennessee. Access Point's key executives have extensive backgrounds in the telecommunications industry and possess the managerial qualifications required to provide local and long distance service.

6.C. Technical Qualifications

Access Point is presently authorized to provide interexchange service in 47 states, including Tennessee, and local exchange service in 6 states. Applications for local exchange certification are in the process of being filed for the remaining states.

Initially, the Company intends to provide local exchange service in Tennessee as a non facilities based provider of the incumbent local exchange company's facilities. In the future, Access Point may rely on a combination of its facilities-based services as well as its underlying carriers for the operation and maintenance of the local exchange network. The Company believes that there is a market in Tennessee for the enhanced services the Company plans to offer prospective local customers within the state. The Company will use only reputable underlying carriers to ensure that high quality service is provided to customers. Access Point will be able to take full advantage of the resources, expertise and technical capabilities of its underlying carriers, the incumbent local exchange carriers. Consequently, the quality of the service that Access Point's local exchange customers receive will be at least equivalent to that provided by these LEC's.

Access Point's services will satisfy the minimum standards established by the Commission. The Company will file and maintain tariffs in the manner prescribed by the Commission and will meet the minimum basic and local standards, including quality of service and billing standards required of all LECs regulated by the Commission.

As the foregoing illustrates, Access Point possesses considerable telecommunications expertise and is well-qualified to provide local exchange service in Tennessee.

Location and deployment of Network

Existing BellSouth Networks. No Access Point owned network is currently planned for deployment within Tennessee. Access Point has an operational Nortel DMS-500 switch based in Raleigh, NC.

6.C. Technical Qualifications (continued)

Name of Engineers or Engineering Firm overseeing technical aspects of Network.

Richard E. Brown, President of Access Point, Inc.

and

Nortel Networks, Inc.

Richardson, TX

Will Tennessee Customers be required to purchase CPE which cannot be used with ILEC systems should the customer decide to go back to the ILEC?

No.

List type of Facilities to be built in Tennessee.

None currently planned. Future growth could lead to deployment of local backbone network facilities, including the possible use of DSL technology and allocation of equipment at ILEC locations within Tennessee.

7. Proposed Service Area.

The applicant proposes to offer its services throughout the State of Tennessee in areas currently served by BellSouth which are designated open to competition. Marketing efforts will be concentrated on major metropolitan areas.

8. Types of Local Exchange Service to be provided.

Access Point expects to offer a broad variety of local exchange services, primarily to business customers in Tennessee. Access Point's initial line of local services will be comparable to that currently offered by the incumbent LECs. Initially, Access Point plans to offer basic access line service, PBX and DID Services, Optional Calling Features, Directory Assistance, Directory Services, and Operator Services, as well as all services required under Chapter 1220-4-8-.04 (3)(b) and (c).

9. Y2K Procedures

Access Point's Y2K procedures to ensure compliance are provided as Attachment K.

10. Wireline Activity Report.

Access Point will provide a wireline report to the TRA when available.

11. Customer Deposits

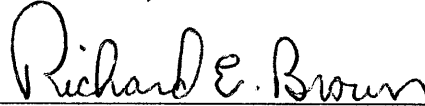
Access Point will require deposits under the conditions listed in the local tariff. A bond has not been posted, however, Access Point will segregate funds through an escrow account, as directed by the TRA..

12. Statement of Compliance.

Access Point agrees to abide by all applicable statutes and all applicable Orders, rules and regulations entered and adopted by the Tennessee Regulatory Authority.

Respectfully submitted this ____ day of _____, 2000.

Respectfully submitted,
Access Point, Inc.

A handwritten signature in dark ink, reading "Richard E. Brown", is written over a horizontal line.

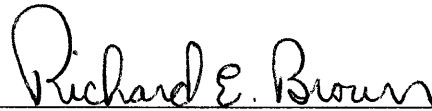
Richard E. Brown, President
Access Point, Inc.
1100 Crescent Green, Suite 109
Cary, NC 27511
Telephone: (919) 851-4838
Facsimile: (919) 851-5422
Toll Free: (877) 419-4274

VERIFICATION

STATE OF NORTH CAROLINA

COUNTY OF WAKE

Richard E. Brown, being first duly sworn, deposes and says: That he is the President of Access Point, Inc., the applicant in the above proceeding, that he has read the foregoing application, and knows the contents thereof; and that he is authorized by Access Point, Inc. to verify that the contents of the applications are true.



Richard E. Brown - President
Access Point, Inc.
1100 Crescent Green, Suite 109
Cary, NC 27511
Telephone: (919) 851-4838
Facsimile: (919) 851-5422
Toll Free: (877) 419-4274

Subscribed and sworn to before me this

2nd day of August, 2000.



Notary Public

State of ~~Florida~~ North Carolina

My commission expires: 04/30/02

Table of Attachments

Attachment A	Names and Addresses of Access Point's Officers and Directors
Attachment B	Articles of Incorporation
Attachment C	Certificate of Authority to Transact Business in the State of Tennessee
Attachment D	Status of Access Point in other States
Attachment E	Financial Statements
Attachment F	Biographies of Senior Executive Team
Attachment G	Small and Minority Owned Telecommunications Business Participation Plan
Attachment H	Dialing Parity Plan
Attachment I	Pre-Filed Testimony
Attachment J	Proposed Local Tariff
Attachment K	Y2K Procedures

ACCESS POINT, INC.

Attachment A

Names and Addresses of
Access Point, Inc.'s Officers and Directors

ACCESS POINT, INC.

All officers and directors may be contacted through the corporate offices at 1100 Crescent Green, Suite 109, Cary, NC 27511.

Officers

Richard E. Brown
Robin Byers
Hugh Petty
Judy Hovis
Brian P. Gilman
Robert B. Weaver

President
Senior Vice President
Vice President of Operations
Vice President of Sales
Vice President of Finance
Chief Financial Officer

Directors

Richard E. Brown
Robin Byers
Reid Miles
Wilbur Priester

President/Director
Senior Vice President/Director
Director
Director
Bluewater Venture Fund II
8300 Greensboro Drive, Suite 1200
McLean, Virginia 22102

ACCESS POINT, INC.

Attachment B

Articles of Incorporation

STATE OF NORTH CAROLINA



Department of The
Secretary of State

To all whom these presents shall come, Greetings:

I, ELAINE F. MARSHALL, *Secretary of State of the State of North Carolina*, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF RESTATEMENT OF ACCESS POINT, INC.

the original of which was filed in this office on the 22nd day of October, 1999.

IN WITNESS WHEREOF, *I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 22nd day of October, 1999.*



Elaine F. Marshall

Secretary of State

002959080

CORP ID # 0394829

FILED

249 PM
OCT 22 1999ARTICLES OF RESTATEMENT
OF
ACCESS POINT, INC.Effective
ELAINE F. MARSHALL
SECRETARY OF STATE
NORTH CAROLINA

The undersigned corporation hereby submits these Articles of Restatement for the purpose of integrating into one document its original articles of incorporation and all amendments thereto and also for the purpose of amending its articles of incorporation:

1. The name of the corporation is Access Point, Inc.
2. Attached hereto are the Amended and Restated Articles of Incorporation of the corporation, which contain an amendment to the articles of incorporation. The Amended and Restated Articles of Incorporation do not contain any amendments to the articles of incorporation requiring shareholder approval, and the Amended and Restated Articles of Incorporation were adopted by the board of directors.
3. The Amended and Restated Articles of Incorporation do not contain an amendment providing for an exchange, reclassification or cancellation of issued shares.

This the 22nd day of October, 1999.

ACCESS POINT, INC.

By: Richard E. Brown
Richard E. Brown
President

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
ACCESS POINT, INC.**

- I. The name of the corporation is Access Point, Inc. (the "Corporation").
- II. The period of duration of the Corporation is perpetual.
- III. The purpose for which the Corporation is organized is to engage in any lawful act or activity for which corporations may be organized under Chapter 55 of the General Statutes of North Carolina.
- IV. (A) The total number of shares of capital stock the Corporation is authorized to issue is Two Million (2,000,000). The authorized capital stock is divided into One Million (1,000,000) shares of common stock, \$0.01 par value per share (the "Common Stock"), and One Million (1,000,000) shares of preferred stock, \$0.01 par value per share (the "Preferred Stock").
- (B) Subject to the limitations set forth in these Amended and Restated Articles of Incorporation, the shares of Preferred Stock of the Corporation may be issued from time to time in one or more classes or series, the shares of each class or series to have such voting powers, full or limited, or no voting powers, and such designations, preferences, and rights (or qualifications, limitations, or restrictions thereof) as are stated in the resolution or resolutions providing for the issue of each such class or series adopted by the Board of Directors as provided in Section IV(C) below.
- (C) Authority is granted to the Board of Directors of the Corporation, subject to the provisions of this article, the limitations set forth in these Amended and Restated Articles of Incorporation and the limitations prescribed by the North Carolina Business Corporation Act, to authorize the issuance of one or more classes, or series within a class, of Preferred Stock, and with respect to each such class or series to fix by resolution or resolutions the voting powers, full or limited, if any, of the shares of such class or series and the designations, preferences, and rights (or qualifications, limitations, or restrictions thereof).
- V. (A) Subject to and in accordance with the powers set forth in Section IV above, a statement of the designations of the authorized classes and series of stock of the Corporation, and the powers, preferences, rights, qualifications, limitations and restrictions thereof, is as follows:

1. Definitions

For purposes hereof, the following terms shall have the meanings indicated whenever used in capitalized form herein:

"Articles of Incorporation" means the Articles of Incorporation of the Corporation, as amended and restated.

"BWVF" means Blue Water Venture Fund II, L.L.C., a Delaware limited liability company, and the subsequent holders of the Series A Preferred Stock and Series B Preferred Stock initially purchased by BWVF or its assignee or the Common Stock issued on conversion thereof.

"Commission" means the Securities and Exchange Commission or any other Federal agency at the time administering the Securities Act.

"Common Stock Director" shall have the meaning set forth in Section VI(B).

"Date of Issuance" shall mean, as to any share of Series A Preferred Stock or Series B Preferred Stock, the date on which such share was first issued by the Corporation.

"Extraordinary Common Stock Event" means (i) the issuance of additional shares of Common Stock as a dividend or other distribution with respect to outstanding shares of the Common Stock, (ii) the subdivision of outstanding shares of Common Stock into a greater number of shares of Common Stock, or (iii) the combination of outstanding shares of Common Stock into a smaller number of shares of Common Stock, in each case whether by reclassification of shares of Common Stock, recapitalization of the Corporation or otherwise.

"Joint Nominee Director" shall have the meaning set forth in Section VI(B).

"Mandatory Conversion Event" means (i) the closing of an underwritten initial public offering of the Common Stock of the Corporation resulting in gross proceeds to the Corporation of at least forty million dollars (\$40,000,000) (prior to underwriting commissions and discounts, and expenses of sale) or (ii) the vote of holders of a majority of the Series A Preferred Stock and Series B Preferred Stock outstanding, voting together as a single class, to convert all Series A Preferred Stock and Series B Preferred Stock into Common Stock.

"Market Price Per Share of Common Stock" on any date means the last sale price on such date of the shares of the Common Stock or, in case no such sale takes place on such day, the average of the closing bid and asked prices of the shares of the Common Stock, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange, or, if the shares of the Common Stock are not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which shares of the Common Stock are listed or admitted to trading or, if shares of the Common Stock are not listed or admitted to trading on any national securities exchange, the last quoted sale price, or if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the NASDAQ Stock Market or such other system then in use, or, if on any such date shares of the Common Stock are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the shares of the Common Stock selected by the Board of Directors. If shares of the Common Stock are not publicly held or so listed or publicly traded, the "Market Price Per Share of Common Stock"

shall be an amount determined in good faith by the Board of Directors as the fair market value of a share of Common Stock.

"Non-Affiliated Director" means a member of the Board of Directors of the Corporation who is neither an officer nor an employee of the Corporation nor an associate (as defined in Rule 405 under the Securities Act), or family member of any director, officer or employee of the Corporation.

"Noncash Price Per Share" means the fair market value of any consideration other than cash for which a share of Common Stock was issued pursuant to Section V(A)3.5(a), as determined in good faith by the Board of Directors.

"Person" means any individual, corporation, partnership, trust, unincorporated association, limited liability company, limited liability partnership or other entity.

"Preferred Director" shall have the meaning set forth in Section V(A)3.2(f).

"Preferred Purchase Price" means, as to the Series A Preferred Stock \$79.1055, and as to the Series B Preferred Stock \$158.288.

"Section" means a section of these Articles.

"Securities Act" means the Securities Act of 1933, as amended, or any similar federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time. Reference to a particular section of the Securities Act shall include a reference to the comparable section, if any, of any such similar federal statute.

2. Common Stock

The shares of Common Stock of the Corporation shall be of one and the same class. Subject to the rights of the Preferred Stock set forth in these Amended and Restated Articles of Incorporation or provided for by resolution or resolutions of the Board of Directors pursuant to Section IV hereof or by the North Carolina Business Corporation Act, the holders of shares of Common Stock shall have one vote per share on all matters on which holders of shares of Common Stock are entitled to vote; and the holders of shares of Common Stock shall receive the net assets of the Corporation upon dissolution.

3. Preferred Stock

The shares of Preferred Stock of the Corporation shall be divided into series. Of the authorized shares of Preferred Stock, 50,000 shares shall be designated "Series A Preferred Stock" and 15,794 shares shall be designated "Series B Preferred Stock."

3.1. Dividends

(a) The holder of each share of Series A Preferred Stock and Series B Preferred Stock shall be entitled to receive cash dividends as and when declared by the Board of Directors out of the assets of the Corporation which are by law available for the payment of dividends. In the event the Board of Directors of the Corporation declares a dividend to the holders of shares of Common Stock, the Board of Directors shall at the same time declare a dividend for the holders of shares of Series A Preferred Stock and Series B Preferred Stock payable at the same time as the dividend on the Common Stock in an amount for each share of Series A Preferred Stock and Series B Preferred Stock equal to the dividend payable on the number of shares of Common Stock into which such shares of Series A Preferred Stock and Series B Preferred Stock may be converted. Dividends upon shares of Series A Preferred Stock and Series B Preferred Stock shall accumulate from the date of declaration and shall not bear interest. If any dividends declared upon the outstanding shares of Series A Preferred Stock and Series B Preferred Stock shall not have been paid, the amount of the deficiency shall be fully paid before (1) any dividend shall be declared and paid or set apart for payment upon the Common Stock, and (2) any redemption, retirement, purchase or other acquisition of any capital stock of the Corporation, whether now or hereafter authorized, except for redemptions, purchases or other acquisitions from employees of, or consultants to, the Corporation in connection with their termination or otherwise in accordance with any employee stock option plan or arrangement, employee stock purchase plan or arrangement, or other employee equity incentive bonus or similar plan or arrangement approved by the Board of Directors.

(b) If the Corporation shall, consistent with the requirements of Section V(A)3.2, at any time or from time to time declare, order, pay or make any dividend or other distribution in respect of shares of the Common Stock of the Corporation (including, without limitation, any distribution of stock or other securities, property, rights or warrants to subscribe for securities of the Corporation or any of its subsidiaries by way of dividend, spin-off or distribution of rights), other than (i) dividends payable in cash, or (ii) any dividend or distribution of shares of Common Stock of the Corporation, then, and in each such case, the holders of shares of the Series A Preferred Stock and Series B Preferred Stock shall be entitled to receive from the Corporation, with respect to each share of Series A Preferred Stock and Series B Preferred Stock held, the same dividend or distribution that would be receivable by the holders thereof as if each share of the outstanding Series A Preferred Stock and Series B Preferred Stock had been converted into shares of the Common Stock of the Corporation pursuant to and in accordance with the provisions of Section V(A)3.3(a) on the record date established by the Board of Directors for determining holders of shares of the Common Stock of the Corporation entitled to receive such dividend or distribution. Any such dividend or distribution shall be declared, ordered, paid or made on the shares of the Series A Preferred Stock and Series B Preferred Stock at the same time such dividend or distribution is declared, ordered, paid or made on shares of the Common Stock of the Corporation.

3.2. Voting Rights

The holders of shares of the Series A Preferred Stock and Series B Preferred Stock shall have the following voting rights:

(a) Each holder of shares of the Series A Preferred Stock and Series B Preferred Stock shall be entitled to vote on all matters submitted to a vote of the stockholders of the Corporation as provided hereinafter.

(b) The holders of shares of the Series A Preferred Stock and Series B Preferred Stock and the holders of shares of the Common Stock of the Corporation shall vote together as a single class on all matters submitted to a vote of stockholders of the Corporation except in cases where a separate or an additional vote or consent of the holders of the shares of the Series A Preferred Stock and Series B Preferred Stock, voting from the holders of any other class or series of the capital stock of the Corporation, shall be required by these Articles of Incorporation, including without limitation Section V(A)3.2(d) hereof, by the bylaws of the Corporation, as amended, or by law; in which cases, the requirement for any such separate or additional vote or consent shall apply in addition to the single class vote or consent of the holders of shares of the Series A Preferred Stock, Series B Preferred Stock and Common Stock required by this Section V(A)3.2(b).

(c) Each share of the Series A Preferred Stock and Series B Preferred Stock shall entitle the holder thereof to that number of votes which is equal to the quotient of (i) the largest number of whole shares of the Common Stock of the Corporation into which all of such holder's shares of the Series A Preferred Stock and Series B Preferred Stock could be converted pursuant to and in accordance with the provisions of Section V(A)3.3(a) on the record date for the determination of stockholders entitled to vote on any matter submitted to a vote of the stockholders of the Corporation, or, if no such record date is established, at the date such vote is taken or any written consent of stockholders is solicited divided by (ii) the number of shares of Series A Preferred Stock and Series B Preferred Stock then held by such holder.

(d) In addition to (i) any vote or consent of the holders of shares of the Series A Preferred Stock, Series B Preferred Stock and Common Stock, voting together as a single class, required to authorize or approve the actions hereafter enumerated in this Section V(A)3.2(d), (ii) any vote or consent of the holders of shares of the Series A Preferred Stock and Series B Preferred Stock required by law or by the Articles of Incorporation, or by the bylaws of the Corporation, as amended, and (iii) any other vote or consent required by law or by the Articles of Incorporation, or by the bylaws of the Corporation, as amended, so long as any shares of the Series A Preferred Stock and Series B Preferred Stock shall be outstanding and unless the approval of a greater number of shares of the Series A Preferred Stock and Series B Preferred Stock shall then be required by law, without first obtaining the consent or approval of the holders of a majority of the then outstanding shares of the Series A Preferred Stock and Series B Preferred Stock, voting together as a single class separately from the holders of any other class or series of the capital stock of the Corporation, given in person or by proxy at a meeting at which the holders of shares of the Series A Preferred Stock and Series B Preferred Stock shall be entitled to vote, or by written consent of the holders of at least a majority of the then outstanding shares of Series A Preferred Stock and Series B Preferred Stock, the Corporation shall not:

(i) authorize, create or issue any class or series, or any shares of any class or series, of capital stock (A) having any preference or priority over, or on a par with, the Series A Preferred Stock and Series B Preferred Stock as to dividends or as to distributions upon liquidation, dissolution or winding up of the Corporation, or having anti-

dilution protection superior to, or on a par with, that applicable to the Series A Preferred Stock and Series B Preferred Stock; or (B) having redemption rights superior to or on a par with those applicable to the Series A Preferred Stock and Series B Preferred Stock;

(ii) authorize, create or issue any security exchangeable for, convertible into or evidencing the right to purchase any shares of capital stock (A) having any preference or priority over, or on a par with, the Series A Preferred Stock and Series B Preferred Stock as to dividends or as to distributions upon liquidation, dissolution or winding up of the Corporation, or having anti-dilution protection superior to, or on a par with, that applicable to the Series A Preferred Stock and Series B Preferred Stock; or (B) having redemption rights superior to or on a par with those applicable to the Series A Preferred Stock and Series B Preferred Stock;

(iii) amend the Articles of Incorporation or the bylaws of the Corporation, as amended, in a manner that adversely affects the rights, preferences or privileges of the shares of Series A Preferred Stock or Series B Preferred Stock;

(iv) increase the authorized number of shares of Series A Preferred Stock or Series B Preferred Stock;

(v) pay or declare any dividend or distribution on any of its capital stock inferior in right of liquidation to the Series A Preferred Stock and Series B Preferred Stock (other than dividends payable solely in Common Stock);

(vi) redeem, purchase or otherwise acquire for value any share or shares of its capital stock inferior in right of liquidation to the Series A Preferred Stock and Series B Preferred Stock other than pursuant to: (A) Section V(A)3.13; or (B) purchases from employees of, and consultants to, the Corporation in connection with their termination or otherwise in accordance with any employee stock option plan or arrangement, employee stock purchase plan or arrangement, or other employee equity incentive, bonus or similar plan or arrangement approved by the Board of Directors, and the specific options granted by the Corporation prior to the date of these Amended and Restated Articles of Incorporation; provided, however, that no such purchase described above in this sub-section (vi) shall result in a purchase price that is higher than that provided for in that certain Shareholders' Agreement, as amended, among the Corporation and holders of its Common Stock, dated July 10, 1996;

(vii) issue or sell any shares of Series A Preferred Stock or Series B Preferred Stock to any person or entity other than BWVF;

(viii) authorize the dissolution of the Corporation or any distribution in complete liquidation of the Corporation; or

(ix) on or before December 31, 2002, sell, lease, exchange, convey or otherwise encumber all or substantially all of the property and assets of the Corporation in one transaction or as part of a series of related transactions or consummate any merger with or into, or consolidation of the Corporation with, any other Person in which the stockholders of the Corporation immediately prior to the consummation of such merger or consolidation do not, immediately following the consummation of such merger or consolidation, have at least fifty percent (50%) of the voting power in the entity surviving such merger or

consolidation, unless the holders of the then-outstanding shares of Series A Preferred Stock and Series B Preferred Stock, as a class, shall receive, in the aggregate, cash or securities publicly traded on a nationally recognized United States securities exchange having a fair market value (x) on or prior to the first anniversary of the relevant Date of Issuance equal to or in excess of \$158.211 per share as to the shares of Series A Preferred Stock and \$316.576 per share as to the shares of Series B Preferred Stock (subject to appropriate adjustment for stock splits, combinations, reorganizations and the like); (y) on or prior to the second anniversary of the relevant Date of Issuance equal to or in excess of \$237.3165 per share as to the shares of Series A Preferred Stock and \$474.864 per share as to the shares of Series B Preferred Stock (subject to appropriate adjustment for stock splits, combinations, reorganizations and the like); or (z) on or prior to the third anniversary of the relevant Date of Issuance equal to or in excess of \$316.422 per share as to the shares of Series A Preferred Stock and \$633.152 per share as to the shares of Series B Preferred Stock (subject to appropriate adjustment for stock splits, combinations, reorganizations and the like).

(e) Except as set forth in these Amended and Restated Articles of Incorporation, or the bylaws of the Corporation, as amended, or as otherwise provided by law, holders of shares of the Series A Preferred Stock and Series B Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of shares of the Common Stock of the Corporation as set forth in this Section V(A)3.2) for taking any corporate action.

(f) So long as the Series A Preferred Stock, Series B Preferred Stock and Common Stock held by BWVF, or its assignees and transferees, is equal to or greater than five percent (5%) of the outstanding Common Stock of the Corporation, on an as converted basis, (i) one of the directors on the Board of Directors shall be elected by the holders of shares of Series A Preferred Stock and Series B Preferred Stock (the "Preferred Director"), voting together as a class by majority vote (with each share being entitled to one vote), (ii) any director elected solely by the holders of a majority of the shares of Series A Preferred Stock and Series B Preferred Stock voting together as a class by majority vote may be removed at any time by the holders of shares of Series A Preferred Stock and Series B Preferred Stock entitled to elect such director, and (iii) any vacancy occurring in the Board of Directors as a result of the death, resignation or removal of a director elected solely by the holders of the shares of Series A Preferred Stock and Series B Preferred Stock shall be filled by the holders of shares of Series A Preferred Stock and Series B Preferred Stock voting together as a class by majority vote.

3.3. Conversion

(a) Each share of Series A Preferred Stock and Series B Preferred Stock may be converted by the holder thereof, at any time after the date of original issuance thereof, into shares of Common Stock of the Corporation at the Conversion Rate provided for in Section V(A)3.4 in the manner and upon the terms set forth herein. Each holder of shares of the Series A Preferred Stock or Series B Preferred Stock may exercise the right to convert such shares into shares of the Common Stock of the Corporation by surrendering for such purpose to the Corporation, at its principal office or at such other office or agency maintained by the Corporation for that purpose, the certificate or certificates evidencing the shares of the Series A Preferred Stock or Series B Preferred Stock to be converted, accompanied by a written notice (i)

stating that such holder elects to convert all or a specified whole number of shares of the Series A Preferred Stock or Series B Preferred Stock into shares of the Common Stock and (ii) specifying the name or names in which the certificate or certificates for the shares of the Common Stock issuable upon such conversion shall be issued (the "Conversion Notice"). If the Conversion Notice shall specify a name or names other than that of such holder, such notice shall be accompanied by payment of all transfer taxes, if any, payable upon the issuance of shares of the Common Stock in such name or names. As promptly as practicable after the surrender of such certificate or certificates to the Corporation, and the receipt of the Conversion Notice by the Corporation, and, if applicable, payment of all transfer taxes (or the demonstration to the satisfaction of the Corporation that such taxes have been paid), the Corporation shall deliver or cause to be delivered (i) a certificate or certificates evidencing the number of shares of the Common Stock to which the holder of shares of the Series A Preferred Stock or Series B Preferred Stock so converted shall be entitled and (ii) if less than the full number of shares of the Series A Preferred Stock or Series B Preferred Stock evidenced by the surrendered certificate or certificates are to be converted, a new certificate or certificates for the number of shares of the Series A Preferred Stock or Series B Preferred Stock evidenced by such surrendered certificate or certificates less the number of shares of the Series A Preferred Stock or Series B Preferred Stock converted into shares of the Common Stock of the Corporation. Any conversion of shares of the Series A Preferred Stock or Series B Preferred Stock made pursuant to this Section V(A)3.3(a) shall be deemed to have been made at the close of business on the date the Corporation receives the certificate or certificates evidencing the shares of the Series A Preferred Stock or Series B Preferred Stock being converted and the Conversion Notice (the "Effective Time"), and the rights of the holder thereof with respect to the shares of the Series A Preferred Stock and Series B Preferred Stock being converted shall cease except that the holder thereof shall thereafter have and retain (i) the right to receive shares of the Common Stock (and certificates therefor) in respect of the converted shares of the Series A Preferred Stock and Series B Preferred Stock in accordance with this Section V(A)3.3(a), and (ii) the right to vote such shares of the Series A Preferred Stock and Series B Preferred Stock in connection with any matters submitted to a vote of the stockholders as to which the applicable record date established by the Board of Directors for determining stockholders entitled to vote on such matter shall occur prior to the date on which such holder shall give the Conversion Notice to the Corporation and surrender the certificate or certificates evidencing the shares of the Series A Preferred Stock and Series B Preferred Stock to be converted to the Corporation. The Person or Persons entitled to receive the shares of the Common Stock upon the conversion of the shares of the Series A Preferred Stock and Series B Preferred Stock shall be treated for all purposes as having become the record holder of such shares of the Common Stock at the Effective Time. The Corporation shall not be required to convert, and no surrender of shares of the Series A Preferred Stock or Series B Preferred Stock shall be effective for that purpose, while the books of the Corporation for shares of the Common Stock are closed for any purpose (but not for any period in excess of 10 days); but the surrender of shares of the Series A Preferred Stock and Series B Preferred Stock for conversion during any period while such books are so closed shall become effective for conversion immediately upon the reopening of such books, as if the conversion had been made at the Effective Time, and at the Conversion Rate in effect at the Effective Time.

(b) Notwithstanding anything contained herein to the contrary, in the event that a Mandatory Conversion Event shall occur, all outstanding shares of the Series A

Preferred Stock and Series B Preferred Stock shall, without any action on the part of the holder thereof or the Corporation, be converted automatically into shares of the Common Stock at the applicable Conversion Rate provided for in Section V(A)3.4 as of the date of the Mandatory Conversion Event, whether or not the certificates evidencing such shares are surrendered to the Corporation or its transfer agent for shares of the Common Stock. Upon the occurrence of the Mandatory Conversion Event, the holders of shares of the Series A Preferred Stock and Series B Preferred Stock shall surrender the certificates evidencing such shares at the office of the Corporation or of its transfer agent for shares of the Common Stock. The Corporation shall then issue and deliver to each such holder a certificate or certificates for the number of shares of the Common Stock into which the shares of the Series A Preferred Stock and Series B Preferred Stock surrendered were convertible on the date of the Mandatory Conversion Event. Notwithstanding the foregoing, however, the Corporation shall not be obligated to issue certificates evidencing the shares of the Common Stock issuable upon such conversion unless certificates evidencing the shares of the Series A Preferred Stock and Series B Preferred Stock being converted are either delivered to the Corporation or any such transfer agent or the holder notifies the Corporation or any such transfer agent that such certificates have been lost, stolen or destroyed, and delivers, or causes to be delivered, to and for the benefit of the Corporation, in the discretion of the Board of Directors, a surety bond or other financial accommodation satisfactory to the Corporation, or executes an agreement to indemnify the Corporation satisfactory to the Corporation from any loss incurred by it in connection therewith.

(c) No fractional shares of the Common Stock or scrip representing fractional shares shall be issued upon the conversion of any shares of the Series A Preferred Stock or Series B Preferred Stock into shares of the Common Stock. Instead of any fractional shares of the Common Stock which would otherwise be issuable upon conversion of shares of the Series A Preferred Stock and Series B Preferred Stock, the Corporation shall pay to the holder of the shares of the Series A Preferred Stock or Series B Preferred Stock which were converted a cash adjustment in respect of such fractional shares in an amount equal to the same fraction of the Market Price Per Share of Common Stock at the close of business on the date on which such shares were so converted.

(d) Upon the conversion of any shares of the Series A Preferred Stock or Series B Preferred Stock into shares of the Common Stock of the Corporation, each share of the Common Stock issued upon the conversion thereof shall be fully paid and non-assessable.

3.4. Conversion Rate

(a) Subject to the adjustments provided for in Section V(A)3.5, the number of shares of the Common Stock into which each share of the Series A Preferred Stock and Series B Preferred Stock may be converted pursuant to Section V(A)3.3(a) or shall be converted pursuant to Section V(A)3.3(b) shall be equal to the product obtained by multiplying the applicable Conversion Rate (determined in accordance with Section V(A)3.4(b)) by the number of shares of the Series A Preferred Stock or Series B Preferred Stock being converted by the holder thereof.

(b) The conversion rate in effect from time to time for determining the number of shares of the Common Stock into which each share of the Series A Preferred Stock or

Series B Preferred Stock may be converted pursuant to Section V(A)3.3(a) or shall be converted pursuant to Section V(A)3.3(b) (the "Conversion Rate") shall be the quotient obtained by dividing the Preferred Purchase Price applicable to the relevant series of Preferred Stock by the then-applicable Conversion Price applicable to the relevant series of Preferred Stock. The initial Conversion Price applicable to a series of Preferred Stock shall be the Preferred Purchase Price applicable to the relevant series of Preferred Stock. The Conversion Price shall be adjusted from time to time as provided in Section V(A)3.5.

3.5. Adjustments to Conversion Price

(a) Except as provided in Section V(A)3.5(b), if the Corporation shall, while there are any shares of Series A Preferred Stock or Series B Preferred Stock outstanding, issue or sell shares of the Common Stock of the Corporation at a price per share or at a Noncash Price Per Share (or combination thereof) less than the Conversion Price in effect immediately prior to such issuance or sale, then in each such case, the Conversion Price shall be adjusted, effective as of the date of the issuance of such shares of the Common Stock of the Corporation, to an amount determined by multiplying the Conversion Price in effect immediately prior to such issuance or sale by a fraction:

(i) the numerator of which shall be (1) the number of shares of the Common Stock outstanding immediately prior to the issuance of such additional shares of the Common Stock, plus (2) the number of shares of Common Stock then issuable upon conversion or exercise of the outstanding shares of Series A Preferred Stock and Series B Preferred Stock and all convertible securities, options, warrants and other rights to purchase Common Stock outstanding immediately prior to the issuance of such additional shares of Common Stock, whether or not then exercisable, plus (3) the number of shares of the Common Stock that the net aggregate consideration received by the Corporation for the total number of such additional shares of the Common Stock so issued would purchase at the Conversion Price, and

(ii) the denominator of which shall be (1) the number of shares of the Common Stock outstanding immediately prior to the issuance of such additional shares of the Common Stock, plus (2) the number of shares of Common Stock then issuable upon conversion or exercise of the outstanding shares of Series A Preferred Stock and Series B Preferred Stock and all convertible securities, options, warrants and other rights to purchase Common Stock outstanding immediately prior to the issuance of such additional shares of Common Stock, whether or not then exercisable, plus (3) the number of such additional shares of the Common Stock so issued.

(b) The adjustments contemplated by Section V(A)3.5(a) shall not apply to any issuance of shares of the Common Stock (i) pursuant to the conversion of the Series A Preferred Stock or Series B Preferred Stock; (ii) to officers, directors, employees or agents of the Corporation or any subsidiary of the Corporation pursuant to any employee stock option plan or arrangement, employee stock purchase plan or arrangement, or other employee equity incentive, bonus, or similar plan or arrangement approved by the Board of Directors, provided the total does not exceed ten (10%) percent of the shares of Common Stock then outstanding and/or issuable upon conversion of the outstanding convertible securities, options, warrants or other rights to acquire Common Stock, whether or not then exercisable; (iii) any issuance approved by the holders of a majority of the shares of Series A Preferred Stock and Series B Preferred Stock voting together as a single class; or (iv) the specific options (and shares issuable on exercise thereof) granted by the Corporation prior to the date of these Amended and Restated Articles of Incorporation.

(c)

(i) For purposes of Section V(A)3.5(a), the issuance of any warrants, options, subscriptions or purchase rights with respect to shares of the Common Stock and the issuance of any securities convertible into or exchangeable for shares of the Common Stock, or the issuance of any warrants, options or any rights with respect to such convertible or exchangeable securities, shall be deemed to be an issuance of shares of the Common Stock at the time of the issuance thereof if the Net Consideration Per Share (as hereinafter defined) which may be received by the Corporation for the shares of the Common Stock issuable upon the exercise thereof is less than the Conversion Price at the time of the issuance of such warrants, options, subscriptions, purchase rights or securities. In no event shall the Corporation issue or sell any warrants, options, subscriptions or purchase rights with respect to shares of the Common Stock, or any securities convertible into or exchangeable for shares of the Common Stock, or any warrants, options or any rights with respect to such convertible or exchangeable securities if the Net Consideration Per Share therefor equals zero. Any obligation, agreement or undertaking to issue warrants, options, subscriptions, purchase rights or such securities at any time in the future shall be deemed to be an issuance at the time of expiration or termination of all material conditions to exercise thereof, entered into in good faith by the Corporation, excluding the vesting provisions of employee stock options and provided that payment of the exercise price or giving notice of conversion or exercise shall not constitute a material condition for the purposes of this sentence. Notwithstanding the foregoing, any adjustment made to the Conversion Price pursuant to the provisions of this Section V(A)3.5(c) which relates to warrants, options, subscriptions or purchase rights with respect to shares of the Common Stock shall be disregarded when, as and if all of such warrants, options, subscriptions or purchase rights expire or are canceled without being exercised, so that the Conversion Price effective immediately upon such cancellation or expiration shall be equal to the Conversion Price in effect at the time of the issuance of the expired or canceled warrants, options, subscriptions or purchase rights, after taking into account any other adjustments that would have been made to the Conversion Price had the expired or canceled warrants, options, subscriptions or purchase rights not been issued. No adjustment to the Conversion Price shall be made pursuant to the provisions of this Section V(A)3.5(c) either (i) upon the issuance of any shares of the Common Stock that are issued pursuant to the exercise of any warrants, options, subscriptions or purchase rights or pursuant to the exercise of any conversion or exchange rights of any convertible securities if any adjustment

shall previously have been made upon the issuance of any such warrants, options or subscriptions or purchase rights or upon the issuance of any such convertible securities (or upon the issuance of any warrants, options or any rights therefor) or, (ii) upon the issuance of any warrants, options, subscription or purchase rights or any other securities convertible into or exchangeable or exercisable for shares of Common Stock (or upon the issuance of any warrants, options or rights to purchase such securities) pursuant to any plan or arrangement specified in Section V(A)3.5(b).

(d) For purposes of Section V(A)3.5(c), the "Net Consideration Per Share" means the amount which is equal to the sum of (i) the total amount of consideration, if any, received by the Corporation for the issuance (and/or extension of the term) of warrants, options, subscriptions or other purchase rights or convertible or exchangeable securities, plus (ii) the minimum amount of consideration, if any, payable to the Corporation upon exercise or conversion thereof, divided by the aggregate number of shares of the Common Stock that would be issued if all such warrants, options, subscriptions or other purchase rights or convertible or exchangeable securities were exercised, converted or exchanged. For purposes of this Section V(A)3.5(d), if part or all of the consideration received or to be received by the Corporation in connection with the issuance of shares of Common Stock or the issuance of any of the securities described in this Section V(A)3.5(d) consists of property other than cash, the value of such property shall be determined by or at the direction of the Board of Directors, in good faith, whereupon such value shall be given to such consideration and shall be recorded on the books of the Corporation with respect to receipt of such property.

(e) Upon the happening of an Extraordinary Common Stock Event, the Conversion Price shall, simultaneously with the happening of such Extraordinary Common Stock Event, be adjusted by multiplying the then-applicable Conversion Price by a fraction, the numerator of which shall be the number of shares of the Common Stock outstanding immediately prior to such Extraordinary Common Stock Event and the denominator of which shall be the number of shares of the Common Stock outstanding immediately after such Extraordinary Common Stock Event. The Conversion Price, as so adjusted, shall be readjusted in the same manner upon the happening of any successive Extraordinary Common Stock Event or Events.

3.6. Other Adjustments

(a) If the shares of the Common Stock issuable upon the conversion of the shares of the Series A Preferred Stock and Series B Preferred Stock shall be changed into the same or a different number of shares of any other class or classes or series of capital stock of the Corporation, whether by recapitalization, reclassification or otherwise (other than pursuant to a merger, consolidation, share exchange, or sale, lease, exchange or transfer of property and assets described in Section V(A)3.6(b)), then, and in each such event, the holder of each share of the Series A Preferred Stock and Series B Preferred Stock shall have the right thereafter to convert such share into the kind and amount of shares of capital stock and other securities and property receivable upon such reorganization, reclassification or other change by holders of the number of shares of the Common Stock into which such share of the Series A Preferred Stock or Series B Preferred Stock could have been converted immediately prior to such recapitalization, reclassification or other change. No adjustments or provision for adjustments shall be made with

respect to the Conversion Price as a result of any of the events described in this Section V(A)3.6(a). The provisions of this Section V(A)3.6(a) shall apply similarly to any successive event of a type described in this Section V(A)3.6(a).

(b) Adjustment for Mergers or Reorganization, etc.

(i) Subject to the provisions of subsection (ii), if, at any time or from time to time, the Corporation shall be a party to a merger or consolidation of the Corporation with or into another Person, a share exchange involving the shares of Common Stock of the Corporation or shall sell, lease, exchange or transfer all or substantially all of the property or assets of the Corporation to any other Person, then, as a condition to the consummation of such transaction, adequate provision shall be made so that each holder of shares of Series A Preferred Stock or Series B Preferred Stock shall thereafter be entitled to receive upon conversion of the shares of the Series A Preferred Stock and Series B Preferred Stock the number of shares of capital stock or other securities or property of the Corporation, or of the successor corporation, resulting from such merger, consolidation, share exchange or sale, lease, exchange or transfer, that would have been received by each holder of shares of the Series A Preferred Stock or Series B Preferred Stock had their shares of Series A Preferred Stock and Series B Preferred Stock been converted into shares of the Common Stock immediately prior to the consummation of such transaction. No adjustments or provision for adjustments shall be made with respect to the Conversion Price as a result of any of the events described in this Section V(A)3.6(b)(i). The provisions of this Section V(A)3.6(b)(i) shall apply similarly to any successive event of a type described in this Section V(A)3.6(b)(i).

(ii) Each holder of shares of Series A Preferred Stock or Series B Preferred Stock, upon the occurrence of a merger or consolidation of the Corporation into or with another corporation (where the shareholders of the Corporation immediately prior to the consummation of the merger or consolidation collectively have the right to cast less than fifty percent (50%) of the votes of all holders of voting securities on a fully diluted basis of the surviving corporation immediately following the consummation of the merger or consolidation) or the sale, lease, exchange, or transfer of all or substantially all of the assets of the Corporation, shall have the option of electing treatment of his shares of Series A Preferred Stock or Series B Preferred Stock under either Section V(A)3.6(b)(i) or Section V(A)3.12 hereof, notice of which election shall be submitted in writing to the Corporation at its principal offices no later than ten (10) business days after the holder receives (A) notice of the material terms of the proposed transaction and (B) written notice from the Corporation requesting the holder to make such election under this Section V(A)3.6(b)(ii). In the event a holder does not give such notice, such holder will be deemed to have elected to be treated under Section V(A)3.12 hereof.

3.7. Reservation of Shares

The Corporation shall at all times reserve and keep available out of its authorized and unissued shares of the Common Stock, solely for the purpose of effecting the conversion of shares of the Series A Preferred Stock and Series B Preferred Stock, such number of shares of the Common Stock as shall, from time to time, be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred Stock and Series B Preferred Stock, and if at any time the number of authorized but unissued shares of the Common Stock shall not be

sufficient to effect the conversion of all then outstanding shares of the Series A Preferred Stock and Series B Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of the Common Stock to such number of shares as shall be sufficient for such purpose.

3.8. Notices

Whenever the Corporation proposes to take any action or to engage in any transaction of a type that would constitute a Mandatory Conversion Event or of a type described in Section V(A)3.1(b), V(A)3.5(e), V(A)3.6, or V(A)3.12, the Corporation shall cause to be mailed to the holders of record of the shares of Series A Preferred Stock and Series B Preferred Stock, at least ten (10) business days prior to the applicable date hereinafter specified, a notice stating (i) in the case of any dividend or distribution referred to in Section V(A)3.1(b) hereof, the proposed record date to be established by the Board of Directors for determining stockholders entitled to receive such dividend or distribution, and (ii) in the case of any other action or transaction, the date on which such action or transaction is expected to take place, and the date, if any is to be fixed, as of or on which holders of shares of the Common Stock of the Corporation shall be entitled to exchange such shares for other securities or property in connection with any such transaction. Notwithstanding the foregoing, however, the failure of the Corporation to give such notice, or any defect therein, shall not affect the legality or validity of any dividend, distribution or other action or event.

3.9. Reports as to Adjustments

Whenever the number of shares of the Common Stock into which each share of the Series A Preferred Stock or the Series B Preferred Stock is convertible (and the number of votes to which each share of the Series A Preferred Stock or Series B Preferred Stock is entitled) is adjusted as provided in Section V(A)3.5, the Corporation shall promptly mail to the holders of record of the outstanding shares of the Series A Preferred Stock and Series B Preferred Stock at their respective addresses, as the same shall appear on the books of the Corporation, a notice stating that the number of shares of the Common Stock into which each share of the Series A Preferred Stock and Series B Preferred Stock are convertible has been adjusted and setting forth the new number of shares of the Common Stock (or describing the new stock, securities, cash or other property) into which each share of the Series A Preferred Stock and Series B Preferred Stock is convertible (and the new number of votes to which each share of the Series A Preferred Stock and Series B Preferred Stock is entitled), as a result of such adjustment, a brief statement of the facts requiring such adjustment and the computation thereof, and when such adjustment became effective.

3.10. Converted Shares

Any shares of the Series A Preferred Stock or Series B Preferred Stock converted by the holder thereof shall be retired and canceled and shall not be reissued by the Corporation.

3.11. Liquidation, Dissolution or Winding Up

(a) In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, in which the proceeds thereof are less than or equal to Twenty Six Million Five Hundred Thousand Dollars (\$26,500,000), the holders of Series A Preferred Stock and Series B Preferred Stock shall be entitled to receive with respect to each share of Series A Preferred Stock and Series B Preferred Stock held by them, prior and in preference to any distribution of any of the assets or surplus funds of the Corporation to the holders of Common Stock and any other class or series of stock ranking junior to the Series A Preferred Stock and Series B Preferred Stock as to liquidation preference, by reason of their ownership of such share of Series A Preferred Stock and Series B Preferred Stock, an amount equal to the Preferred Purchase Price for each such share of Series A Preferred Stock and Series B Preferred Stock held (appropriately adjusted for stock splits, stock dividends and the like) plus any declared but unpaid dividends thereon; provided that if the assets and funds available for distribution to the holders of Series A Preferred Stock and Series B Preferred Stock as to liquidation preference shall be insufficient to permit the payment to all such holders of the full amount of their liquidation preferences, then the holders of shares of Series A Preferred Stock and Series B Preferred Stock, and all classes and series of stock ranking on parity with the Series A Preferred Stock and Series B Preferred Stock as to liquidation preference, if any, shall share ratably in any distribution of the remaining assets and funds of the Corporation in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full. Any funds or assets remaining after payment of holders of shares of Series A Preferred Stock and Series B Preferred Stock pursuant to this Section V(A)3.11(a) shall be payable solely to holders of Common Stock.

(b) Notwithstanding (a) above, each holder of shares of Series A Preferred Stock or Series B Preferred Stock shall have the option, upon any such liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, to convert such holder's shares of Series A Preferred Stock and Series B Preferred Stock to Common Stock in accordance with the provisions of Section V(A)3.3(a) and share in the distribution of the assets and surplus funds of the Corporation with the other holders of Common Stock, in which case such holder shall not be entitled to the payment provided in Section V(A)3.11(a).

3.12. Mergers, Consolidations and Sales of Assets

The merger or consolidation of the Corporation into or with another corporation (where the shareholders of the Corporation immediately prior to the consummation of the merger or consolidation collectively have the right to cast less than fifty percent (50%) of the votes of all holders of voting securities on a fully diluted basis of the surviving corporation immediately following the consummation of the merger or consolidation) or the sale, lease, exchange, or transfer of all or substantially all of the assets of the Corporation, shall be treated as a liquidation, dissolution or winding up of the Corporation under Section V(A)3.11 above, unless the holders of two-thirds of the outstanding shares of Series A Preferred Stock and Series B Preferred Stock voting together as a single class elect not to treat it as such (by giving the Corporation written notice of such election by the later of (i) the date which is ten (10) days prior to the date of the shareholders' meeting called to approve the merger, consolidation or sale or, if

the merger, consolidation or sale is approved by the shareholders of the Corporation by written consent, on or before the date any holder of Series A Preferred Stock or Series B Preferred Stock signs such written consent and (ii) the date which is ten (10) days after the date on which holders of the Series A Preferred Stock or Series B Preferred Stock receive written notice from the Corporation of the merger, consolidation or sale and such holders' rights under this Section V(A)3.12), in which case each holder of Series A Preferred Stock and Series B Preferred Stock shall have the benefits of the provisions of Section V(A)3.6(b)(i) above in lieu of receiving payment in liquidation, dissolution or winding up of the Corporation pursuant to Section V(A)3.11 above.

3.13. Optional Redemption

(a) At any time, but only once, following the earlier of (i) December 31, 2004 and (ii) six months following the date on which the Corporation's first public offering pursuant to a registration statement under the Securities Act has been consummated, the holders of a majority of the Series A Preferred Stock and the Series B Preferred Stock, voting together as a class, shall have the right to require the Corporation to redeem shares of Series A Preferred Stock and Series B Preferred Stock as described in this Section V(A)3.13 (the "Redemption") at the Redemption Price (as defined below) by delivering written notice to the Corporation (a "Redemption Election").

(b) Upon delivery of a Redemption Election, an appraisal firm (the "Appraisal Firm") chosen by Arthur Andersen (or a comparable public accounting firm) and reasonably acceptable to the Corporation and the holders of a majority of the Series A Preferred Stock and Series B Preferred Stock, voting together as a single class, shall determine the Market Value as defined below. If the parties are unable to agree on an Appraisal Firm within 10 days after the expiration of the delivery of a Redemption Election, the Appraisal Firm shall be selected by lot from the top-tier investment banking firms, after the Corporation and the holders of the Series A Preferred Stock and Series B Preferred Stock (voting together as a single class) have each eliminated one such firm. The Appraisal Firm shall then make a determination of the Market Value, and, using such determination of Market Value, shall calculate the Redemption Price. One-half of the cost of the Appraisal Firm shall be borne by each of (i) the Corporation and (ii) the holders of the Series A Preferred Stock and Series B Preferred Stock.

(c) Within 10 days after a final determination of the Redemption Price pursuant to subparagraph (b) above, the Corporation shall notify promptly all holders of shares of Series A Preferred Stock and Series B Preferred Stock in writing (the "Redemption Notice") of the delivery of the Redemption Election and of the determination of the Redemption Price. The holders of shares of Series A Preferred Stock and Series B Preferred Stock may elect to sell to the Corporation all or a portion of their shares of Series A Preferred Stock and Series B Preferred Stock by delivering written notice to the Corporation within 25 days after delivery of the Redemption Notice. Subject to the provisions hereof, within 40 days after delivery of the Redemption Notice, the Corporation shall purchase, and all such electing holders of Series A Preferred Stock and Series B Preferred Stock shall sell, the portion of such shares which the holders of Series A Preferred Stock and Series B Preferred Stock have elected to sell to the Corporation (the "Redemption Closing"). The Corporation shall notify all holders of Series A Preferred Stock and Series B Preferred Stock of the date (which shall be on a business day

between 10:00 a.m. and 4:00 p.m.) and place (which shall be the principal office of the Corporation) of the Redemption Closing at least seven days prior to the Redemption Closing.

(d) At the Redemption Closing, the holders of Series A Preferred Stock and Series B Preferred Stock shall deliver to the Corporation certificates representing the shares of Series A Preferred Stock and Series B Preferred Stock which they have elected to sell to the Corporation, and the Corporation shall deliver to each such holder twenty five percent (25%) of the Redemption Price for each share of Series A Preferred Stock and Series B Preferred Stock to be sold to the Corporation in the form of a cashier's or certified check, or a wire transfer of immediately available funds to an account designated by such holder, and seventy five percent (75%) of the Redemption Price for each share of Series A Preferred Stock and Series B Preferred Stock to be sold to the Corporation in the form of a redemption note reasonably acceptable to such holder (the "Redemption Note"). Unless agreed to by the holders of such Redemption Notes, at any time the Redemption Notes are outstanding, the Corporation may incur bank debt or third-party institutional non-equity financing in connection with the operation of its business which is senior to the Redemption Notes so long as such debt does not prohibit the timely payment of amounts due on the Redemption Notes. Subject to the foregoing, the Redemption Notes shall remain senior to all other debt of the Corporation incurred after the date of the Redemption Closing.

(e) Each Redemption Note will bear interest per annum at the Prime Rate of Wachovia Bank or its successor, as the same may be changed from time to time, will require quarterly payments of principal and interest in an amount necessary to pay all principal and interest in equal installments over a five year amortization schedule and shall be due and payable in full on the third anniversary of the date issued. Upon delivery of any Redemption Note, the Corporation shall also deliver to the Person receiving such Redemption Note (i) a fully executed pledge agreement reasonably acceptable to such Person granting such Person a first priority security interest in the shares of Series A Preferred Stock or Series B Preferred Stock sold by such Person to the Corporation; (ii) a certificate representing the shares of Series A Preferred Stock or Series B Preferred Stock sold by such Person to the Corporation; and (iii) such stock powers executed in blank with respect to the shares of Series A Preferred Stock or Series B Preferred Stock sold by such Person to the Corporation as such Person may reasonably request.

(f) The Redemption Price of a share of Preferred Stock means the amount equal to the amount which would be received with respect to that share of Preferred Stock if the assets of the Corporation were sold for cash equal to the Market Value, all debts of the Corporation were paid, a reasonable allowance for contingent obligations were set aside and the Corporation were liquidated immediately.

(g) Market Value means the price which a willing buyer would pay to a willing seller for all of the assets of the Corporation, with both the buyer and seller being fully informed and neither being under a compulsion to buy or sell, as the case may be.

3.14. Preemptive Rights

Certain shareholders have preemptive rights as more fully described in the Amended and Restated Investor Rights Agreement dated October 22, 1999, among the Corporation, BWVF and the other signatories thereto.

VI. Board of Directors

(A) Management

The management of the business and the conduct of the affairs of the Corporation shall be vested in its Board of Directors. The number of directors which shall constitute the whole Board of Directors shall be five (5). The phrase "whole Board" and the phrase "total number of directors" shall be deemed to have the same meaning, that is, the total number of directors which the Corporation would have if there were no vacancies. No election of directors need be by written ballot.

(B) Election

The Board shall be determined by the stockholders in accordance with the provisions of these Amended and Restated Articles of Incorporation, including without limitation, Section V(A)3.2(f) above and, to the extent consistent with these Amended and Restated Articles of Incorporation, the bylaws of the Corporation, as amended, and shall consist of the following (a) one (1) Preferred Director elected in accordance with Section V(A)3.2(f); (b) two (2) directors who shall each be a Non-Affiliated Director, shall be nominated and elected by the holders of the Common Stock voting separately as a class by majority vote (together, the "Joint Nominee Directors", and individually, the "First Joint Nominee Director" and the "Second Joint Nominee Director"), provided that such nominees have been approved by the holders of a majority of the Series A Preferred Stock and Series B Preferred Stock (voting together as a single class) which approval shall not be unreasonably withheld; and (c) two (2) additional directors who shall be elected by a majority vote of the Common Stock holders (both to constitute the "Common Stock Directors"). A director may be removed only by the shareholders entitled to nominate and elect such director in the manner set forth above; provided, however, that the Second Joint Nominee Director may be removed only at such time as the successor Second Joint Nominee Director has been nominated and elected by the shareholders entitled to nominate and elect such director in the manner set forth in subsection (b) above. In the event of the death, resignation or removal of any director, then the successor shall be nominated and elected by the shareholders entitled to nominate and elect such director in the manner set forth above. Upon the appointment of the First Joint Nominee Director, Will Priester shall be elected to the Second Joint Nominee Director position, and shall serve until his successor has been nominated and elected by the holders of the Common Stock and approved by the holders of a majority of the Series A Preferred Stock and Series B Preferred Stock, in the manner set forth in subsection (b) above. The number of directors shall not be increased or decreased without the affirmative vote of the Preferred Director.

(C) Committees

So long as any share of Series A Preferred Stock or Series B Preferred Stock is outstanding:

(1) the Preferred Director shall have the right to serve on the audit, compensation and budget committees of the Board of Directors;

(2) the Preferred Director shall be the chairman of the compensation committee of the Board of Directors;

(3) the right of the Preferred Director to serve on the committees pursuant to this Section VI(C) shall not be altered or amended without the consent the holders of a majority of the shares of Series A Preferred Stock and Series B Preferred Stock (voting together as a single class);

(4) any Preferred Director appointed to a committee in accordance with this Section VI(C) may be replaced, in the event of such Preferred Director's absence or disqualification, only by the holders of shares of Series A Preferred Stock and Series B Preferred Stock (voting together as a single class) then entitled to elect such Preferred Director; and

(5) nothing herein shall limit the ability of other directors to serve on committees, which shall be determined by the Board of Directors in its sole discretion.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

VII. Except to the extent that the North Carolina General Statutes prohibits such limitation or elimination or liability of directors for breaches of duty, no director of the Corporation shall have any personal liability arising out of an action whether by or in the right of the Corporation or otherwise for monetary damages for breach of any duty as a director. No amendment to or repeal of this article shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal. The provisions of this article shall not be deemed to limit or otherwise preclude indemnification of a director by the Corporation for any liability that has not been eliminated by the provisions of this article.

VIII. These articles will be effective upon filing.

This the 22nd day of October, 1999.

ACCESS POINT, INC.

By: Richard E. Brown
Richard E. Brown
President

ACCESS POINT, INC.

Attachment C

Certificate of Authority to Transact Business in the State of Tennessee

Secretary of State**Corporations Section**

James K. Polk Building, Suite 1800
Nashville, Tennessee 37243-0306

DATE: 07/02/96
REQUEST NUMBER: 3187-2780
TELEPHONE CONTACT: (615) 741-0537
FILE DATE/TIME: 06/26/96 1120
EFFECTIVE DATE/TIME: 06/26/96 1120
CONTROL NUMBER: 0314408

TO:
LANCE J. M. STEINHART, ATTY AT LAW
1100 ABERNATHY RD
SUITE 1112
ATLANTA, GA 30328

RE:
ACCESS POINT, INC.
APPLICATION FOR CERTIFICATE OF
AUTHORITY - FOR PROFIT

WELCOME TO THE STATE OF TENNESSEE. THE ATTACHED CERTIFICATE OF
AUTHORITY HAS BEEN FILED WITH AN EFFECTIVE DATE AS INDICATED ABOVE.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE
ON OR BEFORE THE FIRST DATE OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE
CORPORATION'S FISCAL YEAR. PLEASE PROVIDE THIS OFFICE WITH WRITTEN
NOTIFICATION OF THE CORPORATION'S FISCAL YEAR. THIS OFFICE WILL MAIL THE
REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE CORPORATION AT THE
ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS
OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED
AGENT AND OFFICE WILL SUBJECT THE CORPORATION TO ADMINISTRATIVE REVOCATION
OF ITS CERTIFICATE OF AUTHORITY.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR
FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE.

FOR: APPLICATION FOR CERTIFICATE OF
AUTHORITY - FOR PROFIT

ON DATE: 07/01/96

FROM:
LANCE J. M. STEINHART, ATTY AT LAW
1100 ABERNATHY RD.
SUITE 1112
ATLANTA, GA 30328-0000

RECEIVED: FEES 9300.00 9300.00
TOTAL PAYMENT RECEIVED: 9600.00

RECEIPT NUMBER: 00001981080
ACCOUNT NUMBER: 00240720



Riley C. Darnell

RILEY C. DARNELL
SECRETARY OF STATE

JUL 19 1996

APPLICATION FOR CERTIFICATE OF AUTHORITY FOR

FILED

Access Point, Inc.

To the Secretary of State of the State of Tennessee:

Pursuant to the provisions of Section 48-25-103 of the Tennessee Business Corporation Act, the undersigned corporation hereby applies for a certificate of authority to transact business in the State of Tennessee, and for that purpose sets forth:

1. The name of the corporation is Access Point, Inc.

If different, the name under which the certificate of authority is to be obtained is _____

(NOTE: The Secretary of State of the State of Tennessee may not issue a certificate of authority to a foreign corporation for profit if its name does not comply with the requirements of Section 48-14-101 of the Tennessee Business Corporation Act. If obtaining a certificate of authority under an assumed corporate name, an application must be filed pursuant to Section 48-14-101(d).)

2. The state or country under whose law it is incorporated is North Carolina3. The date of its incorporation is 4/30/96 (must be month, day, and year), and the period of duration, if other than perpetual, is _____

4. The complete street address (including zip code) of its principal office is _____

1100 Crescent Green, Ste. 109	Cary	North Carolina	27511
Street	City	State/Country	Zip Code

5. The complete street address (including the county and the zip code) of its registered office in this state is _____

530 Gay Street	Knoxville, TN	Knox	37902
Street	City/State	County	Zip Code

The name of its registered agent at that office is _____

CT Corporation System

6. The names and complete business addresses (including zip code) of its current officers are: (Attach separate sheet if necessary.)

Richard E. Brown, President,	1100 Crescent Green, Suite 109, Cary, North Carolina	27511
Robin A. Byers, Vice President/Secretary,	1100 Crescent Green, Suite 109, Cary, NC	27511
Hugh Petty, Vice president,	1100 Crescent Green, Suite 109, Cary, NC	27511
Judy Hovis, Sales & Marketing Director	1100 Crescent Green, Suite 109, Cary, NC	27511

7. The names and complete business addresses (including zip code) of its current board of directors are: (Attach separate sheet if necessary.)

Richard E. Brown,	1100 Crescent Green, Suite 109, Cary, North Carolina	27511
Robin A. Byers,	1100 Crescent Green, Suite 109, Cary, North Carolina	27511

8. The corporation is a corporation for profit.

9. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date/time is _____

_____, 19____ (date), _____ (time).

(NOTE: A delayed effective date shall not be later than the 90th day after the date this document is filed by the Secretary of State.)

(NOTE: This application must be accompanied by a certificate of existence (or a document of similar import) duly authenticated by the Secretary of State or other official having custody of corporate records in the state or country under whose law it is incorporated. The certificate shall not bear a date of more than one (1) month prior to the date the application is filed in this state.)

JUNE 19, 1996

Signature Date

Vice President and Secretary

Signer's Capacity

Access Point, Inc.

Name of Corporation

Robin A. Byers

Signature

Robin A. Byers

Name (typed or printed)

ACCESS POINT, INC.

Attachment D

Status of Access Point in other States

Applicant has received approval to provide local exchange telecommunication services in Alabama, Florida, Georgia, Maryland, New York, North Carolina and South Carolina. The company has also received certification to provide interexchange toll services in 47 states. No application has been denied.

ACCESS POINT, INC.

Attachment E

Financial Statements



150 Fayetteville Street Mall
Suite 1200
Post Office Box 29543
Raleigh, NC 27626-0543

Independent Auditors' Report

The Board of Directors
Access Point, Inc.:

We have audited the accompanying balance sheets of Access Point, Inc. as of December 31, 1999 and 1998 and the related statements of operations, stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Access Point, Inc. as of December 31, 1999 and 1998 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

KPMG LLP

February 11, 2000, except for the last
sentence of the first paragraph of
note 11, which is as of March 2, 2000



ACCESS POINT, INC.

Balance Sheets

December 31, 1999 and 1998

Assets	1999	1998
Current assets:		
Accounts receivable, net of allowance for doubtful accounts of \$123,751 and \$50,199 at December 31, 1999 and 1998, respectively	\$ 1,622,541	1,181,057
Notes receivable (note 11)	68,641	23,800
Prepaid expenses	83,353	6,034
Total current assets	1,774,535	1,210,891
Property and equipment, at cost (note 3)	3,896,811	231,718
Less accumulated depreciation	203,135	56,312
Net property and equipment	3,693,676	175,406
Notes receivable (note 11)	2,465,878	—
Other assets, net of accumulated amortization of \$57,492 and \$43,500 at December 31, 1999 and 1998, respectively	189,515	114,335
	<u>\$ 8,123,604</u>	<u>1,500,632</u>
Liabilities and Stockholders' Equity		
Liabilities:		
Accounts payable	2,097,719	448,866
Accrued expenses	1,758,104	244,815
Deferred revenue	280,546	89,164
Current portion of capital lease obligation (note 8)	18,131	—
Line of credit with a financial institution (note 4)	75,389	609,376
Shareholder loan payable (note 5)	—	50,000
Total current liabilities	4,229,889	1,442,221
Long-term capital lease obligation (note 8)	27,951	—
Total liabilities	<u>4,257,840</u>	<u>1,442,221</u>
Stockholder's equity (notes 2, 6 and 9):		
Series A preferred stock, \$.01 par value (\$79.11 liquidation value per share) 50,000 shares authorized, no shares issued and outstanding at December 31, 1999 and 1998	—	—
Series B preferred stock, \$.01 par value (\$158.29 liquidation value per share), 15,794 shares authorized, no shares issued and outstanding at December 31, 1999 and 1998	—	—
Common stock, \$.01 par value, 1,000,000 shares authorized, 109,220 shares issued and outstanding at December 31, 1999 and 1998	1,092	1,092
Additional paid-in capital	6,820,727	1,429,428
Notes receivable from subscribed shares	(1,750)	(1,750)
Accumulated deficit	(2,954,305)	(1,370,359)
Total stockholders' equity	<u>3,865,764</u>	<u>58,411</u>
Commitments and contingencies (notes 8 and 10)		
Total liabilities and stockholders' equity	<u>\$ 8,123,604</u>	<u>1,500,632</u>

ACCESS POINT, INC.

Statements of Operations

Years ended December 31, 1999 and 1998

	1999	1998
Sales	\$ 9,559,199	4,749,807
Cost of sales	6,745,414	3,516,165
Gross profit	2,813,785	1,233,642
Operating expenses:		
Selling, general and administrative	4,108,797	1,672,549
Depreciation and amortization	172,814	64,317
Bad debts	122,829	77,516
Total operating expenses	4,404,440	1,814,382
Operating loss	(1,590,655)	(580,740)
Other income (expense):		
Interest income	46,506	64,708
Interest expense	(31,797)	(26,258)
Gain (loss) on disposal of asset	(8,000)	38,884
Total other income	6,709	77,334
Loss before income taxes	(1,583,946)	(503,406)
Income taxes (note 7)	—	—
Net loss	\$ (1,583,946)	(503,406)

See accompanying notes to financial statements.

ACCESS POINT, INC.

Statements of Stockholders' Equity

Years ended December 31, 1999 and 1998

	Series A Preferred Shares	Series A Preferred Amount	Series B Preferred Shares	Series B Preferred Amount	Common Shares Shares	Common Shares Amount	Additional Paid In Capital	Receivable From Subscribed Shares	Accumulated Deficit	Total
Balances as of December 31, 1997	—	\$ —	—	\$ —	101,493	\$ 1,015	1,159,045	(12,400)	(866,953)	280,707
Issuance of additional common stock to corporate officer	—	—	—	—	4,285	43	149,932	—	—	149,975
Issuance of common stock to outside investors	—	—	—	—	3,592	36	125,699	(1,750)	—	123,985
Reduction of note receivable from subscribed shares	—	—	—	—	—	—	—	12,400	—	12,400
Purchase and retirement of treasury stock	—	—	—	—	(150)	(2)	(5,248)	—	—	(5,250)
Net loss	—	—	—	—	—	—	—	—	(503,406)	(503,406)
Balances as of December 31, 1998	—	—	—	—	109,220	1,092	1,429,428	(1,750)	(1,370,359)	58,411
Issuance of Series A preferred stock, net of expenses	37,924	379	—	—	—	—	2,922,536	—	—	2,922,915
Issuance of Series B preferred stock, net of expenses	—	—	15,794	158	—	—	2,468,226	—	—	2,468,384
Retirement of Series A preferred stock at par value	(37,924)	(379)	—	—	—	—	379	—	—	—
Retirement of Series B preferred stock at par value	—	—	(15,794)	(158)	—	—	158	—	—	—
Net loss	—	—	—	—	—	—	—	—	—	—
Balances as of December 31, 1999	—	\$ —	—	\$ —	109,220	\$ 1,092	6,820,727	(1,750)	(1,583,946)	3,865,764

See accompanying notes to financial statements.

ACCESS POINT, INC.
Statements of Cash Flows
Years ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Net loss	\$ (1,583,946)	(503,406)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	172,814	64,317
Loss on disposal of assets	8,000	(38,884)
Reduction in notes receivable from subscribed shares	—	12,400
Increase in accounts receivable, net	(441,484)	(884,752)
Decrease (increase) in notes receivable	(10,719)	12,900
Increase in prepaid expenses	(77,319)	—
Increase in other assets	(109,172)	(24,336)
Increase in accounts payable	1,648,853	241,042
Increase in accrued expenses	693,810	227,504
Increase in deferred revenue	191,382	89,164
Decrease in other liabilities	—	(10,000)
Net cash provided by (used in) operating activities	<u>492,219</u>	<u>(814,051)</u>
Cash flows used by investing activities:		
Purchase of property and equipment	(2,790,239)	(149,540)
Issuance of note receivable	(2,500,000)	—
Increase in regulatory fees	—	(10,472)
Proceeds from sale of assets	—	45,000
Net cash used in investing activities	<u>(5,290,239)</u>	<u>(115,012)</u>
Cash flows from financing activities:		
Principal payments under capital leases	(9,292)	—
Proceeds from issuance of Series A preferred stock	2,962,000	—
Proceeds from issuance of Series B preferred stock	2,480,000	—
Stock issuance costs	(50,701)	—
Proceeds from issuance of common stock, net of repurchase and stock subscriptions receivable	—	273,960
Purchase of treasury stock	—	(5,250)
Net proceeds (payments) under line of credit with a financial institution	(533,987)	609,376
Proceeds from shareholder notes payable	—	50,000
Payments to shareholder for notes payable	(50,000)	—
Net cash provided by financing activities	<u>4,798,020</u>	<u>928,086</u>
Net decrease in cash	—	(977)
Cash at beginning of year	—	977
Cash at end of year	<u>\$ —</u>	<u>—</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	\$ <u>31,797</u>	<u>26,258</u>
Income taxes	\$ <u>—</u>	<u>—</u>
Disclosure of noncash investing activities:		
Equipment acquired and accrued at year-end	\$ <u>819,479</u>	<u>—</u>
Disclosure of noncash financing activities:		
Capital lease obligations	\$ <u>58,048</u>	<u>—</u>

In 1998, the proceeds from issuance of common stock of \$275,710 are reduced by the notes receivable from stockholders used to acquired such shares of \$1,750.

ACCESS POINT, INC.

Notes to Financial Statements

December 31, 1999 and 1998

(1) Company Operations and Summary of Significant Accounting Policies

(a) *Nature of Business and Basis of Presentation*

Access Point, Inc. (the "Company") is a wholly-owned subsidiary of Access Point Communications, Inc. The Company operates in the telecommunications industry providing services to customers primarily in the southeastern United States. The Company purchases discounted long distance services from major interchange carriers and local service from incumbent exchange carriers, and then resells these services to individuals and companies utilizing volume discounts.

During 1999, the Company began the acquisition and deployment of its own telecommunication network facilities. These facilities were not yet operational as of December 31, 1999.

(b) *Revenue Recognition*

Long distance service and access charges, as well as local service charges are recognized as services are provided to customers, regardless of the period in which they are billed. Customers are typically billed for long distance service in the month following actual usage, and for local service at the beginning of the applicable month.

(c) *Accounts Receivables*

The Company provides an allowance for doubtful accounts receivables equal to the estimated collection losses that will be incurred in collection of all accounts receivables. Estimated losses are based on historical collection experience, as well as a review by management of the current status of all accounts receivables.

(d) *Income Taxes*

During 1999, the Company converted its S corporation status for federal and state income tax purposes to a C corporation. Prior to the conversion, federal and state income taxes were the responsibility of the Company's stockholders on their individual income tax returns.

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes.

ACCESS POINT, INC.

Notes to Financial Statements

December 31, 1999 and 1998

Under the asset and liability method of Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes* (Statement 109), deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under Statement 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(e) *Depreciation and Amortization*

Property and equipment is depreciated using the straight-line method over its estimated useful life of three to ten years. Leased property meeting certain criteria is capitalized and the present value of the related lease payments is recorded as a liability. Amortization of capitalized leased assets is computed on a straight-line method over the term of the lease. Expenditures for maintenance and repairs are charged to operations.

(f) *Use of Estimates*

The financial statements have been prepared in accordance with generally accepted accounting principles. In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheets and the reported amounts of revenues and expenses for the periods presented. Actual results could differ significantly from those estimates.

(g) *Reclassifications*

Certain accounts included in the 1998 financial statements have been reclassified to conform to the 1999 presentation. These reclassifications have no effect on net loss or stockholders' equity as previously reported.

(h) *Comprehensive Income*

In 1998, the Company adopted Statement of Financial Accounting Standard No. 130, *Reporting Comprehensive Income*. The adoption of this standard did not have a effect in the Company's financial statements as the Company has no other comprehensive income under this Statement.

ACCESS POINT, INC.

Notes to Financial Statements

December 31, 1999 and 1998

(2) Notes Receivable from Stock Issuance

During 1998, the Company repurchased and retired 24,000 shares from a shareholder and reduced the corresponding note receivable from shareholder by \$5,250.

During 1998, a shareholder provided services to the Company. In lieu of payment for services, the Company reduced the co-founder's note receivable from subscribed shares by \$12,400.

(3) Property and Equipment

	1999	1998
Furniture and fixtures	\$ 258,751	32,901
Computer equipment and software	446,040	175,867
Pagers	30,084	22,950
Construction-in-progress	2,737,987	—
Leasehold improvements	423,949	—
	<u>3,896,811</u>	<u>231,718</u>
	203,135	56,312
Less accumulated depreciation	<u>\$ 3,693,676</u>	<u>175,406</u>

(4) Line of Credit and Notes Payable

The line of credit with a financial institution consists of borrowings due within one year under a secured line of credit with an interest rate of prime plus 1.0% (9.5% at December 31, 1999). The line of credit allows for total borrowings of up to \$2,000,000 and is renewable annually. The line is secured by the Company's customer accounts receivable.

The line of credit contains certain restrictive covenants. At December 31, 1999, the Company was in compliance with these covenants.

In December 1999, the Company entered into an equipment financing agreement with an institutional lender, providing a three year financing commitment of \$25,000,000 to the Company with an initial availability of \$13,000,000 for the purchase of telecommunications network and other equipment. No principal payments are required under the equipment loan for the first eighteen months subsequent to each draw. After the initial eighteen months, the outstanding principal is payable in equal monthly installments over the subsequent sixty months. No amounts have been borrowed as of December 31, 1999.

ACCESS POINT, INC.

Notes to Financial Statements

December 31, 1999 and 1998

In addition, the financing agreement provides a three year commitment of \$3,500,000 senior convertible debt available for working capital or equipment financing at the discretion of the Company. Amounts outstanding as debt are convertible to Company preferred stock in certain circumstances based upon the fair market value of Company stock at conversion. No amount has been borrowed under this financing commitment.

Interest is payable monthly on amounts borrowed under either commitment at a variable rate based on LIBOR, adjusted based upon certain Company performance measurements. As of December 31, 1999, this interest rate was 10.33%.

Both financing commitments are secured by all assets of the Company except customer receivables. In addition, certain restrictive covenants exist for these financing commitments. The Company is in compliance with these covenants as of December 31, 1999.

(5) Shareholder Loan Payable

During 1998, the Company borrowed \$50,000 through an unsecured note payable to a shareholder and officer of the Company bearing an interest rate of 10%. The note was repaid in 1999.

(6) Capital Stock

Common Stock

The Company has authorized and issued shares of one class of voting common stock.

After the payment in full of the Series A Liquidation Preference and the Series B Liquidation Preference (discussed below), the common stockholders are entitled to the remaining assets and funds of the Company on a pro rata basis.

Series A and B Preferred Stock

On June 3, 1999, the Company designated 50,000 shares of convertible, participating, voting preferred stock as Series A preferred stock and issued 37,924 shares of Series A preferred stock for \$2,962,000 to investors in a private placement. Expenses associated with this placement of \$39,085 were deducted from the proceeds.

On October 22, 1999, the Company designated 15,794 shares of convertible, participating, voting preferred stock as Series B preferred stock and issued 15,794 shares of Series B preferred stock for \$2,480,000 to investors in a private placement. Expenses associated with this placement of \$11,616 were deducted from the proceeds.

ACCESS POINT, INC.

Notes to Financial Statements

December 31, 1999 and 1998

During December 1999, the holders of Series A and B preferred stock exchanged their stock for comparable shares of Series A and B preferred stock in Access Point Communications, Inc. (parent company). The Company retired all of the Series A and B preferred stock previously issued.

The Company has authorized 93,750 shares of preferred stock and, as of December 31, 1999, 27,956 shares of preferred stock are undesignated. Preferred stock is convertible and has voting rights, equal to the number of shares of common stock. The Company has reserved common shares equal to the number of convertible preferred shares outstanding.

Liquidation Preference

In the event of a liquidation or dissolution of the Company, the holders of Series A preferred stock are entitled to receive, prior and in preference to any distribution of any assets or surplus funds to the holders of common stock, an amount equal to \$79.11 per share for Series A (as adjusted for any combination, consolidation, stock distributions, or stock dividends with respect to such shares) plus all accrued and unpaid dividends thereon (the "Series A Liquidation Preference").

In the event of a liquidation or dissolution of the Company, the holders of Series B preferred stock are entitled to receive, prior and in preference to any distribution of any assets or surplus funds to the holders of Series A preferred stock or common stock, an amount equal to \$158.29 per share for Series B (as adjusted for any combination, consolidation, stock distributions, or stock dividends with respect to such shares) plus all accrued and unpaid dividends thereon (the "Series B Liquidation Preference").

Any assets remaining after payment in full of the Series A Liquidation Preference and the Series B Liquidation Preference shall be distributed on a per share pro rata basis to the holders of common stock and Series A and B preferred stock (on an as-converted basis).

ACCESS POINT, INC.

Notes to Financial Statements

December 31, 1999 and 1998

(7) Income Taxes

The reasons for the difference between actual income tax benefit for the year ended December 31, 1999 and the amount computed by applying the statutory federal income tax rate to losses before income tax benefit are as follows:

	1999	% of pretax loss
Income tax benefit at statutory rate	\$ (538,542)	(34.00%)
State income taxes, net of federal benefit	2,470	0.15%
Non-deductible entertainment expenses		
Tax impact of termination of S-Corporation status exclusive of increase in valuation allowance	187,480	11.84%
Increase in valuation allowance	348,592	22.01%
Income tax benefit	\$ —	—

The components of deferred tax assets and deferred tax liabilities as of December 31, 1999 are as follows:

Deferred tax assets:	
Tax loss carryforwards	\$ 336,000
Depreciation	15,000
Reserves and accruals	55,000
Amortization	5,000
Total gross deferred assets	411,000
Valuation allowance	(396,000)
Net deferred tax assets	15,000
Deferred tax liability:	
Prepaid expenses	15,000
Total gross deferred tax liability	15,000
Net deferred tax asset (liability)	\$ —

The Company has established a valuation allowance against its deferred tax assets due to the uncertainty surrounding the realization of such assets. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the period in which those temporary differences become deductible. Management considered the scheduled reversal of deferred tax liabilities in making this assessment.

ACCESS POINT, INC.

Notes to Financial Statements

December 31, 1999 and 1998

At December 31, 1999, the Company has net operating loss carryforwards for federal income tax purposes of \$870,000 which are available to offset future federal tax income, if any, through 2019. The Company also has net operating losses for state tax purposes of \$870,000 which are available to offset future state taxable income through 2014. The ability to utilize net operating loss carryforwards is limited in the case of certain events, including significant changes in ownership interests.

(8) Leases

The Company has operating leases for office and telecommunications network facilities in North Carolina and South Carolina, and leases for office equipment. Rent expense under operating leases was approximately \$185,000 and \$47,000 in 1999 and 1998, respectively.

The Company has a capital lease agreement for office equipment. The assets held under the capital lease amounted to \$56,961 with accumulated amortization of \$9,292 at December 31, 1999.

The future minimum lease payments under the noncancellable operating and capital leases as of December 31, 1999 are as follows:

	Operating leases	Capital lease
2000	\$ 458,994	18,950
2001	249,221	18,950
2002	220,871	10,856
2003	184,303	—
2004	177,958	—
Thereafter	460,433	—
Total minimum lease payments	\$ 1,751,780	48,756
Less amounts representing interest		2,674
Present value of net minimum lease payments		46,082
Less current portion		18,131
Long-term obligation under capital lease		\$ 27,951

(9) Liquidity

In light of the Company's projected earnings, cash flows and financing arrangements, management believes the Company has financial resources to maintain its current level of operations. In the event that actual results do not provide sufficient financial resources to maintain its current level of operations, the Company will pursue additional financial resources through capital contributions or other financing arrangements. There can be no assurance that the Company will be successful in its attempts to obtain additional financing.

ACCESS POINT, INC.

Notes to Financial Statements

December 31, 1999 and 1998

(10) Commitments

In October 1999, the Company entered into a purchase agreement with a telecommunications network equipment provider under which the Company committed to the minimum purchase of \$8,710,000 of such equipment over a three year term. As of December 31, 1999, the Company had purchased approximately \$800,000 of equipment under this agreement.

(11) Subsequent Events

In December 1999, the Company loaned \$2,500,000 as a note receivable to another telecommunications service provider (the "Borrower"). The note receivable is secured by a pledge of 67% of the common stock of the Borrower and is payable in monthly installments of \$50,000, including interest accrued at 10%. Subsequent to making the loan, on December 21, 1999, the Company entered into a option agreement to acquire substantially all of the assets of the Borrower within 90 days of the date of the agreement (the "Option") for a purchase price of \$9,000,000. Exercise of the option provides for the acquisition of the Borrower's assets through the assumption of liabilities, including forgiveness of the note receivable balance, and issuance of Company common stock. As of March 2, 2000, the Company elected to exercise the option and is negotiating the final terms of the purchase agreement with the Borrower.

During January 2000, the Company adopted an incentive stock option plan (the "Plan") for its employees. The Plan allows the Company to grant 728,160 options to employees at an exercise price equal to the fair market value of common stock at grant date. The options vest over a period of five years.

ACCESS POINT, INC.

Attachment F

Biographies of Senior Executive Team

ACCESS POINT, INC.
d/b/a eLEC Communications

Biographies of Senior Executive Team

Richard E. Brown, President

Mr. Brown is the founder and President of Access Point, Inc. since the company's inception in 1996. Prior to his time at Access Point, Mr. Brown was with Business Telecom, Inc. from 1986 to 1996. There, he attained the position of Executive Vice President - Finance. He was instrumental in establishing many of the procedures and internal business plans that helped BTI during its formative growth years. Mr. Brown was also the General Account Manager for APV Baker from 1982 to 1986. He has a BA in Accounting from the University of South Carolina and has passed the CPA exam in North Carolina.

Robin A. Byers, Senior Vice President

Mr. Byers has been with Access Point since the Company's inception as well, responsible for most of the day to day operations of the company. Mr. Byers was Director of Sales (1994-1996), Division Sales Manager (1992-1994), Regional Sales Manager (1990-1992) for Business Telecom, Inc. He also was a Sales Manager and Sales Representative for Mobilecomm, a Bellsouth Company from 1986-1990. Mr. Byers attended Ohio State University and J. Sargent Reynolds Community College with a curriculum in business administration and telecommunications respectively.

Hugh Petty, Vice President of Operations

Mr. Petty was Director, Credit and Collection with Business Telecom, Inc.(1991-1996) prior to joining Access Point. Mr. Petty was also the Divisional Credit Manager for Amerimark Building Products (1990-1991), Corporate Credit Manager for Stone Heavy Vehicle Specialists (1983-1989) as well as other credit related positions from 1973-1983. Mr. Petty received a degree in Physics from North Carolina State University in 1970 and a degree in Accounting in 1986 from the same university.

ACCESS POINT, INC.

Biographies of Senior Executive Team *(Continued)*

Judy Hovis, Vice President of Sales

Ms. Hovis was with Business Telecom, Inc. prior to her time with Access Point as well. While at BTI, Ms. Hovis was Vertical Markets Division Manager (1994-1996), Association Sales Manager (1990-1993), and Major Accounts Manager (1989-1990). July was also major Account Representative for Rock Hill Telephone Company (1982-1986). Ms. Hovis majored in Psychology at the University of Maryland and Finance and Real Estate at Central Piedmont Community College.

Brian P. Gilman, Vice President of Finance

Mr. Gilman joined Access Point in 1999. He was Vice President of Finance and Administration for Consolidated Mortgage and Financial Service Corporation from 1994 to 1999. Brian also held the positions for Business Administrator for Columbia Baptist Church from 1989 to 1993 and Audit Manager for Arthur Andersen & Company from 1982-1988. He received a degree in Accounting from the University of Minnesota in 1982.

Robert B. Weaver, Chief Financial Officer

Mr. Weaver joined Access Point in April 2000. Prior to joining the company, Mr. Weaver was CFO for the North Carolina Technological Development Authority from 1999 to 2000. From 1996 to 1998 he was the CFO for Golden Sky Systems, Inc., co-founding the company and taking it to a merger with Pegasus Communications in a \$1.1 billion transaction. During the period of 1987 to 1996, Mr. Weaver served in an executive management capacity for several firms in the banking industry, including; VO and Senior Relationship Manager with Nations Bank from 1993 to 1996, VP and Relations Manager, media Group with Canadian Imperial Bank of Commerce from 1990 to 1992 and Assistant VP, Communications Group with Bank of New England from 1987 to 1990.

ACCESS POINT, INC.

Attachment G

**Small and Minority Owned Telecommunications
Business Participation Plan**

**SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS
PARTICIPATION PLAN**

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**SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS
PARTICIPATION PLAN**

1.0 PURPOSE

- 1.1 This small and minority-owned telecommunications business participation plan ("Plan") is submitted by Access Point, Inc. ("Access Point") as required by T.C.A. §65-5-212.
- 1.2 The administration of this Plan is the responsibility of Access Point, Inc.

2.0 DEFINITIONS

- 2.1 Access Point, Inc. is a private corporation who resells interexchange telecommunication services of in the state of Tennessee. They are based in Cary, North Carolina and have no employees, property, or equipment in Tennessee at this time.
- 2.2 As a competitive vendor of telecommunications service, Access Point is non-dominant in its industry. The nature of Access Point's business limits their opportunity to support the use of Small and Minority Business in Tennessee. However, let the submission of this Plan evidence their desire to participate as practically possible.
- 2.3 Small and Minority Business - For the purpose of this Plan, "minority business" means a business that is solely owned, or at least fifty-one (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages and controls the daily operations of such business and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars (\$4,000,000) per T.C.A. §65-5-212.

**SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS
PARTICIPATION PLAN, (CONT'D.)**

3.0 PLAN RESPONSIBILITY STATEMENT

Access Point, Inc. 's responsibility for small and minority-owned telecommunications business participation plan and policy statement is as follows:

- 3.1** Access Point intends to afford Small and Minority-Owned Telecommunications Businesses the maximum practicable opportunity to participate in the performance of contracts in accordance with T.C.A. §65-5-212.
- 3.2** Access Point is a reseller of telecommunications service whose business operations include:
- Sale and Marketing of Telecommunications Services and Customer Care
- Access Point uses vendors and suppliers to support their reseller business in the following areas:
- * Telecommunications Service Providers
 - * Sales Agents of Telecommunications Services
 - * Telecommunications Billing and Collection Services
- 3.3** Brian P. Gilman would coordinate Small and Minority-Owned Telecommunications Business referrals.
- 3.4** Initial Small and Minority-Owned Telecommunications Business contacts for Access Point would be made through their Coordinator who will seek to identify and include firms in Tennessee through the Department of Economic and Community Development's office of Minority Business Enterprise and Small Business office.

**SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS
PARTICIPATION PLAN, (CONT'D.)**

**4.0 SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS
PARTICIPATION PLAN PERIOD OF EFFECTIVENESS**

- 4.1** Access Point will maintain a proactive and continuous approach toward inclusion of such firms in their supplier in their supplier base. Consequently, their Plan and the associated duties and activities would not have a fixed time period for effective, but rather represent Access Point's ongoing policies and procedures. Access Point has no physical presence in Tennessee. When and if their business condition changes in Tennessee, the effectiveness of this Plan would be enhanced.

**SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS
PARTICIPATION PLAN, (CONT'D.)**

5.0 PLAN ADMINISTRATION

5.1 Access Point's Plan Administrator is:

Brian P. Gilman, Vice President of Finance
Access Point, Inc.
1100 Crescent Green, Suite 109
Cary, NC 27511
Telephone: (919) 851-4838
Facsimile: (919) 851-5422
Toll Free: (877) 419-4274

5.2 The Administrator manages the Plan, as described below in the Administrator's duties. The Administrator has direct interface with procurement personnel, contract administrators, and program and project personnel to ensure compliance with the provisions of the Plan.

5.3 The Administrator's specific job duties, as they relate to this Plan and Access Point's business operations in the state of Tennessee, are as follows:

- (a)** Developing and maintaining the Access Point's Supplier Master List which would include a listing of Small and Minority-Owned Telecommunications Businesses in Tennessee who are deemed eligible to be suppliers for Access Point.
 - 1. Reviewing Access Point's policies and procedures in to ensure that Small and Minority-Owned Telecommunications Businesses in Tennessee have an equitable opportunity to be awarded contracts when possible.
 - 2. Allowing for inclusion of Small and Minority-Owned Telecommunications Businesses in those solicitations for products or service which they are capable of providing.
 - 3. Coordinating activities during the conduct of any compliance review by Tennessee state agencies.
 - 4. Preparing and submitting periodic contracting reports as required.

**SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS
PARTICIPATION PLAN, (CONT'D.)**

6. PLAN TO ASSURE EQUITABLE OPPORTUNITY

- 6.1** The Administrator shall ensure that appropriate source listings and services are properly utilized in support of the Plan. Sources/listings include but are not limited to the following:
- (a)** The Access Point approved Master Supplier List.
 - (b)** Sourcing information received from the Department of Economic and Community Development's Office of Minority Business Enterprise and Small Business Office in Nashville.
- 6.2** Outreach efforts will be made as follows:
- (a)** The Administrator shall cultivate and maintain a relationship with the Community Development's Office of Minority Business Enterprise and Small Business Office in an effort to locate and qualify capable Small and Minority-Owned Telecommunications Businesses for participation in contracting opportunities.
 - (b)** The Administrator shall ensure that Access Point provides adequate and timely consideration of the potentialities of Small and Minority-Owned Telecommunications Businesses in "make-or-buy" decisions.
 - (c)** The Administrator shall ensure that Access Point counsels and discusses contracting opportunities with representatives of Small and Minority-Owned Telecommunications Businesses.
 - (d)** The Administrator shall ensure that Access Point offers assistance to Small and Minority-Owned Telecommunications Businesses to explain: requests for quotations, progress payments, technical and quality assurance programs, advice on types of business typically being contracted, and the mechanics of procurement requirements and quality expectations.

**SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS
PARTICIPATION PLAN, (CONT'D.)**

7. PLAN REPORTING

- 7.1** Access Point will submit such periodic reports and cooperate in those studies or surveys as may be required to determine the extent of compliance with this Plan.
- 7.2** Access Point's Supplier Master List will identify Small and Minority-Owned Telecommunications Businesses in Tennessee. The Supplier Master List shall be utilized in identifying potential contractors.

ACCESS POINT, INC.

Attachment H

Dialing Parity Plan

ACCESS POINT, INC.

IntraLATA Toll Dialing Parity Plan For Tennessee

1. Purpose

The intent of this Plan is to provide a proposal that, upon implementation, would provide customers the ability to select the telecommunications carrier of their choice for routing their intraLATA toll calls.

Access Point is a re-seller of the BellSouth network and will be following their established guidelines and procedures for implementation of intraLATA Parity of toll calls.

2. Implementation Date and Areas of Availability

Upon commencement of service, Access Point, Inc. will offer 2-PIC service in all BellSouth states including Tennessee.

For resold services, availability in each exchange will be dependent on BellSouth. For services provided via an Access Point, Inc. switch, all switchlines will offer 2-PIC capability.

3. Method of Selection Process and costs

Access Point, Inc. will follow the 2-PIC strategy established by BellSouth. With the 2-PIC methodology, customers will be able to presubscribe to one telecommunications carrier for interLATA toll calls and presubscribe to the same or different carrier, including their existing local exchange company, for all intraLATA toll calls.

3. Method of Selection Process and costs, (continued)

Existing Customers

Access Point, Inc. employees will be trained to explain the process to customers for making PIC changes for intraLATA toll calls. They will be prepared to make changes in customer records based upon request from customers or carriers and direct customers to their chosen intraLATA carrier. Customers will remain with their current intraLATA carrier until they affirmatively choose an intraLATA toll carrier.

New Customers

Processes will be in place to provide new customers with an opportunity to choose their intraLATA toll carrier from a list of available carriers. Customers who do not choose a carrier for intraLATA toll calls will be identified as a "No-PIC" and will not be automatically defaulted to a carrier. Fees for PIC changes will be passed on to the customer at current pricing of \$1.49 for residential and business customers. No waiver will apply but customers will be able to change both interLATA and intraLATA PICs in the same transaction for no extra charge.

4. Customer Notifications

Customers will be advised the opportunity to choose an intraLATA toll carrier separate from their interLATA carrier at the time they place an order initiating service. They will also be advised that they may choose a carrier other than their local exchange carrier and that a list of available intraLATA toll carriers is available upon request from customer service. Access Point also believes that promotional material by other carriers will make customers aware of the choices available to them.

4. Customer Notifications, (Continued)

Cost Recovery

Access Point does not anticipate any charges from BellSouth to implement their Parity Plan and therefore does not anticipate assessing the customer any additional charges.

Miscellaneous Items

Slamming - Access Point will be subject to rules relating to slamming as indicated in Tennessee Regulatory Authority Rule 1220-4-2-. 56, Sections (2) – (19) and 1220-4-2.58, Sections (1)-(16).

Nondiscriminatory Access – Access Point will follow the guidelines established by BellSouth for reseller customers as they relate to access of telephone numbers; operator assistance; directory assistance; and directory listings.

Rules – Access Point will fully comply with all rules and regulations set forth by the FCC and the TRA.

Access Point has no applicable rules.

4. Customer Notifications, (Continued)

LATA Associations

Area	LATA	Prefix
Tennessee	Memphis	468
	Nashville	470
	Chattanooga	472
	Knoxville	474

Exchange Coverage for Local Services

423-207	423-336	423-480	423-584	423-717	423-886	615-219	615-313	615-395	615-599
423-208	423-337	423-481	423-585	423-718	423-892	615-220	615-314	615-399	615-604
423-209	423-338	423-482	423-586	423-719	423-893	615-221	615-315	615-401	615-612
423-212	423-339	423-483	423-587	423-733	423-894	615-222	615-316	615-402	615-631
423-213	423-344	423-485	423-588	423-744	423-899	615-223	615-317	615-406	615-643
423-215	423-345	423-487	423-590	423-745	423-902	615-226	615-319	615-407	615-646
423-217	423-351	423-488	423-594	423-746	423-903	615-227	615-320	615-412	615-650
423-219	423-354	423-490	423-595	423-751	423-904	615-228	615-321	615-415	615-654
423-220	423-358	423-493	423-599	423-752	423-905	615-230	615-322	615-416	615-660
423-221	423-359	423-494	423-602	423-755	423-906	615-231	615-323	615-417	615-661
423-222	423-365	423-495	423-603	423-756	423-907	615-232	615-325	615-418	615-662
423-226	423-373	423-496	423-605	423-757	423-908	615-234	615-327	615-419	615-664
423-227	423-374	423-499	423-608	423-763	423-909	615-235	615-329	615-421	615-665
423-228	423-376	423-501	423-609	423-766	423-916	615-237	615-330	615-426	615-672
423-231	423-379	423-504	423-613	423-769	423-918	615-239	615-331	615-428	615-673
423-235	423-380	423-507	423-614	423-774	423-919	615-240	615-332	615-430	615-696
423-237	423-382	423-509	423-616	423-775	423-920	615-241	615-333	615-432	615-702
423-240	423-386	423-510	423-617	423-778	423-921	615-242	615-335	615-441	615-708
423-248	423-387	423-513	423-618	423-780	423-923	615-244	615-336	615-443	615-714
423-250	423-389	423-514	423-619	423-784	423-924	615-248	615-337	615-444	615-717
423-255	423-395	423-515	423-622	423-785	423-927	615-251	615-340	615-445	615-720
423-258	423-397	423-516	423-623	423-802	423-932	615-252	615-341	615-446	615-726
423-263	423-403	423-517	423-624	423-804	423-933	615-253	615-342	615-449	615-731
423-265	423-408	423-521	423-625	423-805	423-942	615-254	615-343	615-451	615-733
423-266	423-413	423-522	423-629	423-806	423-954	615-255	615-344	615-452	615-734
423-267	423-414	423-523	423-631	423-809	423-961	615-256	615-347	615-453	615-735
423-268	423-417	423-524	423-632	423-810	423-970	615-257	615-350	615-457	615-736
423-269	423-420	423-525	423-633	423-814	423-971	615-258	615-351	615-458	615-737
423-272	423-425	423-527	423-634	423-818	423-974	615-259	615-352	615-459	615-740
423-275	423-426	423-531	423-637	423-819	423-977	615-262	615-353	615-460	615-741
423-280	423-428	423-539	423-642	423-821	423-980	615-264	615-354	615-463	615-742
423-281	423-429	423-540	423-645	423-822	423-981	615-269	615-355	615-476	615-743
423-284	423-430	423-541	423-656	423-825	423-982	615-271	615-356	615-477	615-744
423-285	423-435	423-544	423-658	423-827	423-983	615-272	615-360	615-478	615-746
423-289	423-436	423-545	423-661	423-837	423-984	615-274	615-361	615-481	615-747
423-290	423-442	423-546	423-667	423-842	423-985	615-275	615-365	615-482	615-748
423-296	423-448	423-549	423-670	423-843	423-986	615-279	615-366	615-483	615-749
423-301	423-450	423-550	423-673	423-846	423-987	615-282	615-367	615-494	615-763
423-304	423-451	423-558	423-674	423-847	423-988	615-284	615-370	615-504	615-770
423-309	423-452	423-559	423-681	423-850	423-991	615-291	615-371	615-505	615-771
423-310	423-453	423-562	423-686	423-855	423-992	615-292	615-372	615-508	615-778

423-312	423-457	423-563	423-687	423-856	423-993	615-295	615-373	615-512	615-780
423-315	423-458	423-564	423-688	423-867	423-995	615-297	615-374	615-513	615-781
423-317	423-463	423-565	423-689	423-869	423-996	615-298	615-376	615-516	615-782
423-318	423-470	423-566	423-690	423-870	615-201	615-299	615-377	615-518	615-783
423-321	423-471	423-567	423-691	423-873	615-202	615-302	615-382	615-519	615-789
423-326	423-472	423-570	423-692	423-874	615-206	615-303	615-383	615-524	615-790
423-327	423-473	423-573	423-693	423-875	615-207	615-304	615-384	615-531	615-791
423-329	423-475	423-577	423-694	423-876	615-210	615-305	615-385	615-532	615-792
423-330	423-476	423-579	423-697	423-877	615-214	615-307	615-386	615-542	615-794
423-332	423-478	423-581	423-698	423-882	615-217	615-308	615-390	615-591	615-797
423-334	423-479	423-583	423-701	423-883	615-218	615-309	615-391	615-595	615-799
615-804	615-929	901-278	901-380	901-494	901-605	901-738	901-831	931-358	931-638
615-806	615-930	901-279	901-381	901-495	901-606	901-743	901-832	931-359	931-639
615-812	615-936	901-282	901-382	901-496	901-607	901-744	901-833	931-362	931-645
615-813	615-943	901-285	901-383	901-497	901-608	901-745	901-834	931-363	931-647
615-816	615-944	901-286	901-384	901-521	901-609	901-746	901-836	931-379	931-648
615-817	615-948	901-287	901-385	901-522	901-610	901-747	901-850	931-380	931-659
615-821	615-951	901-288	901-386	901-523	901-612	901-748	901-853	931-381	931-670
615-822	615-952	901-301	901-387	901-524	901-613	901-749	901-854	931-387	931-680
615-824	615-957	901-307	901-388	901-525	901-614	901-751	901-855	931-388	931-682
615-826	615-960	901-309	901-391	901-526	901-616	901-752	901-861	931-389	931-684
615-830	615-963	901-320	901-392	901-527	901-617	901-753	901-867	931-393	931-685
615-831	615-969	901-321	901-395	901-528	901-618	901-754	901-877	931-413	931-703
615-832	615-972	901-323	901-396	901-529	901-624	901-755	901-878	931-424	931-723
615-833	615-973	901-324	901-397	901-531	901-627	901-756	901-884	931-425	931-728
615-834	615-974	901-325	901-398	901-532	901-635	901-757	901-885	931-433	931-729
615-835	615-975	901-327	901-399	901-533	901-637	901-758	901-886	931-438	931-759
615-837	615-978	901-329	901-412	901-534	901-638	901-759	901-887	931-454	931-762
615-838	901-209	901-330	901-413	901-535	901-639	901-761	901-922	931-455	931-764
615-847	901-213	901-332	901-418	901-536	901-640	901-762	901-925	931-461	931-766
615-848	901-216	901-335	901-421	901-537	901-641	901-763	901-926	931-465	931-796
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615-851	901-221	901-337	901-423	901-539	901-644	901-765	901-935	931-469	931-808
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615-859	901-223	901-344	901-425	901-542	901-646	901-767	901-942	931-487	931-840
615-860	901-224	901-345	901-426	901-543	901-648	901-769	901-946	931-489	931-857
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615-865	901-227	901-348	901-433	901-545	901-659	901-772	901-948	931-503	931-906
615-867	901-229	901-352	901-434	901-546	901-660	901-773	901-954	931-527	931-920
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BEFORE THE

TENNESSEE

TRANSPORTATION AND REGULATORY AUTHORITY

In the matter of the Application of
Access Point, Inc.
for Authority to Provide
Facilities Based Competing Local
Telecommunications Services

)
)
)
)
)

TRA Docket _____

TESTIMONY OF RICHARD E. BROWN
President

1 **Q. Will you please state your name and business address.**

2 A. My name is Richard E. Brown and my business address is 1100 Crescent Green, Suite 109, Cary,
3 North Carolina 27511. My telephone number is (919) 851-4838 and facsimile number is (919) 851-
4 5422. My email address is richard.brown@accesspointinc.com.

5
6 **Q. By whom are you employed and in what capacity?**

7 A. I am the President for Access Point, Inc. ("Access Point"). I am responsible for all facets of the
8 Company's operation.

9
10 **Q. Please give a brief description of your background and experience.**

11 A. I am the founder and President of Access Point, Inc. since the company's inception in 1996. Prior
12 to my time at Access Point, I was with Business Telecom, Inc. from 1986 to 1996. There, I attained
13 the position of Executive Vice President - Finance and was instrumental in establishing many of the
14 procedures and internal business plans that helped BTI during its formative growth years. I was also
15 the General Account Manager for APV Baker from 1982 to 1986. I received a BA in Accounting
16 from the University of South Carolina and passed the CPA exam in North Carolina.

17
18 **Q. What is the purpose of your testimony?**

19 A. The purpose of my testimony is to present evidence on the financial, technical and managerial
20 abilities of Access Point to provide local telecommunications services in Tennessee; and to describe
21 the services Access Point, Inc. proposes to offer.

22
23 **Q. Has Access Point, Inc. registered to do business in Tennessee?**

24 A. Yes. Access Point is a North Carolina Corporation. Registration to conduct business in Tennessee
25 is provided in Attachment C of the application.

26

27

1 **Q. Has Access Point previously obtained authority in Tennessee?**

2 A. Yes. The company has been authorized by the Authority to resale telecommunications services
3 within Tennessee.

4
5 **Q. Please describe the services Access Point proposes to offer.**

6 A. Access Point proposes to offer a broad variety of local exchange services, primarily to business
7 customers in Tennessee. Access Point's initial line of local services will be comparable to that
8 currently offered by the incumbent LEC's. Access Point will offer Basic Access Line Service, PBX
9 and DID Services, Optional Calling Features, Directory Assistance, Directory Services, and Operator
10 Services, as well as all services required under Chapter 1220-4-8-.04 (3)(b) and (c).

11
12 **Q. How will Access Point bill for its services?**

13 A. Access Point's local services are billed directly by the company on a monthly basis. Fixed monthly
14 charges are billed monthly in advance, usage-sensitive charges will be billed in arrears.

15
16 **Q. How are trouble reports, billing errors and complaints handled?**

17 A. Billing disputes will be reported by the customer via the toll free number of (800) 957-6468, printed
18 on the Customer's monthly bill, Customer service disputes will be reported via the same toll free
19 number. In addition, Customers may contact the Company in writing at the headquarters address.
20 Access Point understands the importance of effective customer service for local service consumers.

21
22 **Q. Describe the proposed Access Point's Tennessee tariff.**

23 A. Services included in Access Point's tariff include: Standard Local Service, PBX Trunk Service,
24 Direct Inward Dialing (DID) Service, Optional Calling Features, Listing Services, Directory Services,
25 Operator Services, ISDN Service and DSL Service. Services are offered to both business and
26 residential customers twenty-four hours per day, seven days per week.

27

1 **Q. Where is Access Point currently certificated?**

2 A. Access Point, Inc. is certificated to provide local services in Alabama, Florida, Georgia, Maryland,
3 New York, New Hampshire, North Carolina, and South Carolina. In addition, Access Point has also
4 received certification to provide interexchange toll services in 47 states. No application has been
5 denied.

6
7 **Q. Describe Access Point's financial ability to operate as a local service provider.**

8 A. Access Point has ample resources for the successful provision of its telecommunications services.
9 We have provided financial information with our application which clearly demonstrates that Access
10 Point has adequate cash flow and capital to expand into the facilities based CLEC market in
11 Tennessee.

12
13 **Q. Does Access Point have the managerial and technical qualifications to provide local service in**
14 **Tennessee?**

15 A. Yes. Access Point has an experienced management team. Resumes of key management staff are
16 provided as Attachment F in of the Company's application.

17
18 **Q. Where in Tennessee does Access Point intend to offer its services?**

19 A. Access Point intends to initially offer services in areas of the state served by BellSouth, but seeks
20 statewide authority for future applications.

21
22 **Q. How will Tennessee consumers benefit from Access Point's services?**

23 A. Certification of Access Point will increase the level of competition in Tennessee. Access Point
24 intends to offer quality service at competitive prices. In addition, Access Point's marketing plan will
25 expand subscriber awareness of options and services available to them, thus encouraging the growth
26 and success of competitive services.

27

1 **Q. Why is Access Point seeking facilities-based authority in Tennessee? Will Access Point use any**
2 **public rights-of-way?**

3 A. Initially, Access Point plans to purchase unbundled network element platform service (UNE-P) from
4 BellSouth and Sprint/United. Since Access Point has no immediate plans to deploy cable, it does not
5 foresee using public rights-of-way in the next year. However, Access Point does want the
6 Commission's consent to use public rights-of-way pursuant to applicable laws for possible future
7 installations.

8
9 **Q. Does this conclude your testimony?**

10 A. Yes.
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

ACCESS POINT, INC.

Attachment J

Proposed Tariff

RULES, REGULATIONS, AND
SCHEDULE OF RATES AND CHARGES
APPLICABLE TO END USER

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

FURNISHED BY

Access Point, Inc.

WITHIN THE STATE OF TENNESSEE

Issue Date: September 7, 2000

Effective Date:

Issued by:

Richard E. Brown, President
1100 Crescent Green, Suite 109
Cary, NC 27511

TN10000

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CHECK SHEET

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EXPLANATION OF SYMBOLS

The following symbols shall be used in this tariff for the purpose indicated below:

- (C) To signify changed regulation.
- (D) To signify discontinued rate or regulation.
- (I) To signify increased rate.
- (M) To signify a move in the location of text.
- (N) To signify new rate or regulation.
- (R) To signify reduced rate.
- (S) To signify reissued matter.
- (T) To signify a change in text but no change in rate or regulation.

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APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the local exchange, exchange access, and intrastate toll communications services within the state of Tennessee.

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SECTION 1 - DEFINITIONS

For the purpose of this tariff, the following definitions will apply:

Access Point: Access Point, Inc., the issuer of this tariff.

Access Services: The Company's intrastate telephone services offered pursuant to this tariff.

Access Service Request ("ASR"): The written request for access services executed by the Customer and the Company in the format devised by the Company. The signing of an ASR by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff, but the duration of the service is calculated from the Service Commencement Date. Should a Customer use the Company's access service without an executed ASR, the Company will then request the Customer to submit one.

Account Codes: Permits Centrex Stations and attendants to dial an account code number of up to eight digits. For use when placing calls over facilities arranged for Automatic Message Accounting (AMA) recording. The account or project number must be input prior to dialing the called number.

Advance Payment: Part or all of a payment required before the start of service.

Automatic Number Identification ("ANI"): Allows the automatic transmission of a caller's billing account telephone number to a local exchange company, interexchange carrier or a third party subscriber. The primary purpose of ANI is to allow for billing of toll calls.

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SECTION 1 - DEFINITIONS, (CONT'D.)

Bit: The smallest unit of information in the binary system of notation.

Collocation: An arrangement whereby the Company's switching equipment is located in a local exchange Company's central office.

Customer or Subscriber: The person, firm or corporation which orders service and is responsible for the payment of charges and compliance with the Company's regulations.

Dedicated Inbound Calls: Refers to calls that are terminated via dedicated access facilities connecting the Customer's premises and the Company's Point of Presence ("POP"). This service is offered to the extent facilities are available and where the Company and the Customer jointly arrange for the establishment of dedicated access facilities connecting the Customer's trunk-compatible PBX or other suitable equipment to the Company's POP. The Customer shall be responsible for all costs and charges associated with the dedicated access facilities.

Dedicated Outbound Calls: Refers to service that is offered to the extent facilities are available in those cases where the Company and the Customer jointly arrange for the establishment of dedicated access facilities connecting the Customer's trunk-compatible PBX or other suitable equipment to the Company's (POP). The Customer shall be responsible for all costs and charges associated with the dedicated access facilities.

Deposit: Refers to a cash or equivalent of cash security held as a guarantee for payment of the charges.

DID Trunk: A form of local switched access that provides the ability for an outside party to call an internal extension directly without the intervention of the Company operator.

Dial Pulse (or "DP"): The pulse type employed by rotary dial station sets.

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TNI0000

SECTION 1 - DEFINITIONS, (CONT'D.)

Direct Inward Dial (or "DID"): A service attribute that routes incoming calls directly to stations, bypassing a central answering point.

Direct Outward Dial (or "DOD"): A service attribute that allows individual station users to access and dial outside numbers directly.

Dual Tone Multi-Frequency (or "DTMF"): The pulse type employed by tone dial station sets.

Duplex Service: Service which provides for simultaneous transmission in both directions.

End Office: With respect to each NPA-NXX code prefix assigned to the Company, the location of the Company's "end office" for purposes of this tariff shall be the point of interconnection associated with that NPA-NXX code in the Local Exchange Routing Guide ("LERG"), issued by BellCore.

Exchange Telephone Company or Telephone Company: Denotes any individual, partnership, association, joint-stock company, trust, or corporation authorized by the appropriate regulatory bodies to engage in providing public switched communication service throughout an exchange area, and between exchange areas within the LATA.

Fiber Optic Cable: A thin filament of glass with a protective outer coating through which a light beam carrying communications signals may be transmitted by means of multiple internal reflections to a receiver, which translates the message.

Hearing Impaired: Those persons with communication impairments, including those hearing impaired, deaf, deaf/blind, and speech impaired persons who have an impairment that prevents them from communicating over the telephone without the aid of a telecommunications device for the deaf.

Hunting: Routes a call to an idle station line in a prearranged group when the called station line is busy.

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SECTION 1 - DEFINITIONS, (CONT'D.)

In-Only: A service attribute that restricts outward dial access and routes incoming calls to a designated answer point.

IXC or Interexchange Carrier: A long distance telecommunications services provider.

Kbps: Kilobits per second, denotes thousands of bits per second.

LATA: A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the National Exchange Carrier Association, Inc. Tariff F.C.C. No. 4.

Local Interconnection Trunking Service: A local circuit administration point, other than a cross-connect or an information outlet, that provides capability for routing and re-routing circuits.

Mbps: Megabits, denotes millions of bits per second.

Minimum Point of Presence ("MPOP"): The main telephone closet in the Customer's building.

Monthly Recurring Charges: The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

Multi-Frequency or ("MF"): An inter-machine pulse-type used for signaling between telephone switches, or between telephone switches and PBX/key systems.

Non-Recurring Charge ("NRC"): The initial charge, usually assessed on a one-time basis, to initiate and establish service.

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SECTION 1 - DEFINITIONS, (CONT'D.)

NPA: Numbering plan area or area code.

Off-Net: A means for carrying and switching traffic to or from the Customer's premises, where the Company leases Other Telephone Company's facilities to deliver traffic to a Customer location. With Off-Net service, the Customer's premises is connected through such facilities directly to switching equipment leased by the Company for resale purposes from Other Telephone Companies. (Off-Net traffic consists of all traffic that is not considered to be On-Net traffic.)

On-Net: A means for carrying and switching local traffic to or from the Customer's premises, where the Company connects to the MPOP in a Customer building or on a Customer's premises using Company-owned fiber facilities or local loops obtained from Other Telephone Companies. With On-Net service, the Customer's premises is connected through such facilities directly to switching equipment owned by the Company.

Other Telephone Company: An Exchange Telephone Company, other than the Company.

PBX: Private Branch Exchange

Point of Presence ("POP"): Point of Presence

Recurring Charges: The monthly charges to the Customer for services, facilities and equipment which continue for the agreed upon duration of the service.

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SECTION 1 - DEFINITIONS, (CONT'D.)

Service Commencement Date: The first day following the date on which the Company notifies the Customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service which does not conform to standards set forth in the Service Order or this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance. The Company and Customer may mutually agree on a substitute Service Commencement Date.

Service Order: The written request for Network Services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff, but the duration of the service is calculated from the Service Commencement Date.

Shared: A facility or equipment system or subsystem that can be used simultaneously by several Customers.

Shared Inbound Calls: Refers to calls that are terminated via the Customer's Company-provided local exchange line.

Shared Outbound Calls: Refers to calls in Feature Group (FGD) exchanges whereby the Customer's local telephone lines are presubscribed by the Company to the Company's outbound service such that "1 + 10-digit number" calls are automatically routed to the Company's or an IXC's network. Calls to stations within the Customer's LATA may be placed by dialing "10XXX" or "101XXXX" with 1 + 10-digit number."

Tandem: A class 4 switch facility to which NPA and NXX codes are subtended.

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SECTION 1 - DEFINITIONS, (CONT'D.)

Two Way: A service attribute that includes outward dial capabilities for outbound calls and can also be used to carry inbound calls to a central point for further processing.

Usage Based Charges: Charges for minutes or messages traversing over local exchange facilities.

User or End User: A Customer, Joint User, or any other person authorized by a Customer to use service provided under this tariff.

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SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of the Company

2.1.1 Scope

The Company undertakes to furnish communications service pursuant to the terms of this tariff in connection with one-way and/or two-way information transmission originating from points within the State of Tennessee, and terminating within a local calling area as defined herein.

The Company is responsible under this tariff only for the services and facilities provided hereunder, and it assumes no responsibility for any service provided by any other entity that purchases access to the Company network in order to originate or terminate its own services, or to communicate with its own Customers.

2.1.2 Shortage of Equipment or Facilities

- (A) The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond the Company's control.
- (B) The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from other carriers to furnish service from time to time as required at the sole discretion of the Company.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.3 Terms and Conditions

- (A) Service is provided on the basis of a minimum period of at least six months, 24-hours per day. For the purpose of computing charges in this tariff, a month is considered to have thirty (30) days.
- (B) Customers may be required to enter into written service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. Customers will also be required to execute any other documents as may be reasonably requested by the Company.
- (C) Except as otherwise stated in the tariff, at the expiration of the initial term specified in each Service Order, or in any extension thereof, service shall continue on a month to month basis at the then current rates unless terminated by either party upon thirty (30) days written notice. Any termination shall not relieve the Customer of its obligation to pay any charges incurred under the service order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the service order shall survive such termination.
- (D) Service may be terminated upon written notice to the Customer if:
 - (1) the Customer is using the service in violation of this tariff; or
 - (2) the Customer is using the service in violation of the law.
- (E) This tariff shall be interpreted and governed by the laws of the State of Tennessee without regard for its choice of laws provision.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.3 Terms and Conditions, (cont'd.)

- (F) Any Other Telephone Company may not interfere with the right of any person or entity to obtain service directly from the Company. No person or entity shall be required to make any payment, incur any penalty, monetary or otherwise, or purchase any services in order to have the right to obtain service directly from the Company.
- (G) To the extent that either the Company or any Other Telephone Company exercises control over available cable pairs, conduit, duct space, raceways, or other facilities needed by the other to reach a person or entity, the party exercising such control shall make them available to the other on terms equivalent to those under which the Company makes similar facilities under its control available to its Customers. At the reasonable request of either party, the Company and the Other Telephone Company shall jointly attempt to obtain from the owner of the property access for the other party to serve a person or entity.
- (H) The Company hereby reserves its rights to establish service packages specific to a particular Customer. These contracts may or may not be associated with volume and/or term discounts.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability

- (A) Except as otherwise stated in this section, the liability of the Company for damages arising out of either: (1) the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services or (2) the failure to furnish its service, whether caused by acts or omission, shall be limited to the extension of allowances to the Customer for interruptions in service as set forth in Section 2.7.
- (B) Except for the extension of allowances to the Customer for interruptions in service as set forth in Section 2.7, the Company shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, including, but not limited to, loss of revenue or profits, for any reason whatsoever, including, but not limited to, any act or omission, failure to perform, delay, interruption, failure to provide any service or any failure in or breakdown of facilities associated with the service.
- (C) The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and service has been discontinued, to a refund of the amount erroneously billed.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability, (cont'd.)

- (D) The Company shall be indemnified and saved harmless by the Customer from and against all loss, liability, damage and expense, including reasonable counsel fees, due to:
- (1) Any act or omission of: (a) the Customer, (b) any other entity furnishing service, equipment or facilities for use in conjunction with services or facilities provided by the Company; or (c) common carriers or warehousemen, except as contracted by the Company;
 - (2) Any delay or failure of performance or equipment due to causes beyond the Company's control, including but not limited to, acts of God, fires, floods, earthquakes, hurricanes, or other catastrophes; national emergencies, insurrections, riots, wars or other civil commotions; strikes, lockouts, work stoppages or other labor difficulties; criminal actions taken against the Company; unavailability, failure or malfunction of equipment or facilities provided by the Customer or third parties; and any law, order, regulation or other action of any governing authority or agency thereof;
 - (3) Any unlawful or unauthorized use of the Company's facilities and services;
 - (4) Libel, slander, invasion of privacy or infringement of patents, trade secrets, or copyrights arising from or in connection with the material transmitted by means of Company-provided facilities or services; or by means of the combination of Company-provided facilities or services;
 - (5) Breach in the privacy or security of communications transmitted over the Company's facilities;

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability, (cont'd.)

(D) (cont'd)

- (6) Changes in any of the facilities, operations or procedures of the Company that render any equipment, facilities or services provided by the Customer obsolete, or require modification or alteration of such equipment, facilities or services, or otherwise affect their use or performance, except where reasonable notice is required by the Company and is not provided to the Customer, in which event the Company's liability is limited as set forth in paragraph (A) of this Subsection 2.1.4.
- (7) Defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof;
- (8) Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to the Company's facilities;
- (9) Any noncompletion of calls due to network busy conditions;
- (10) Any calls not actually attempted to be completed during any period that service is unavailable;
- (11) And any other claim resulting from any act or omission of the Customer or patron(s) of the Customer relating to the use of the Company's services or facilities.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability, (cont'd.)

- (E) The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere.
- (F) The Company makes no warranties or representations, EXPRESS OR IMPLIED, either in fact or by operation of law, statutory or otherwise, including warranties of merchantability or fitness for a particular use, except those expressly set forth herein.
- (G) Failure by the Company to assert its rights pursuant to one provision of this tariff does not preclude the Company from asserting its rights under other provisions.

2.1.5 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.6 Provision of Equipment and Facilities

- (A) The Company shall use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. The Customer may not nor may the Customer permit others to rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.
- (B) The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer.
- (C) Equipment the Company provides or installs at the Customer Premises for use in connection with the services the Company offers shall not be used for any purpose other than that for which the equipment is provided.
- (D) Except as otherwise indicated, Customer provided station equipment at the Customer's premises for use in connection with this service shall be so constructed, maintained and operated as to work satisfactorily with the facilities of the Company.
- (E) The Company shall not be responsible for the installation, operation, or maintenance of any Customer provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for:
 - (1) the through transmission of signals by Customer provided equipment or for the quality of, or defects in, such transmission; or
 - (2) the reception of signals by Customer-provided equipment; or
 - (3) network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.7 Non-Routine Installation

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations. In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

2.1.8 Special Construction

Subject to the agreement of the Company and to all of the regulations contained in this tariff, special construction of facilities may be undertaken on a reasonable efforts basis at the request of the Customer. Special construction is construction undertaken:

- (A) where facilities are not presently available, and there is no other requirement for the facilities so constructed;
- (B) of a type other than that which the Company would normally utilize in the furnishing of its services;
- (C) over a route other than that which the Company would normally utilize in the furnishing of its services;
- (D) in a quantity greater than that which the Company would normally construct;
- (E) on an expedited basis;
- (F) on a temporary basis until permanent facilities are available;
- (G) involving abnormal costs; or
- (H) in advance of its normal construction.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.9 Ownership of Facilities

Title to all facilities provided in accordance with this tariff remains in the Company, its partners, agents, contractors or suppliers.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.2 Prohibited Uses

- 2.2.1** The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.
- 2.2.2** The Company may require applicants for service who intend to use the Company's offerings for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and the Tennessee Public Service Commission's regulations, policies, orders, and decisions.
- 2.2.3** The Company may block any signals being transmitted over its Network by Customers which cause interference to the Company or other users. Customer shall be relieved of all obligations to make payments for charges relating to any blocked Service and shall indemnify the Company for any claim, judgment or liability resulting from such blockage.
- 2.2.4** A Customer, joint user, or authorized user may not assign, or transfer in any manner, the service or any rights associated with the service without the written consent of the Company. The Company will permit a Customer to transfer its existing service to another entity if the existing Customer has paid all charges owed to the Company for regulated communications services. Such a transfer will be treated as a disconnection of existing service and installation of new service, and non-recurring installation charges as stated in this tariff will apply.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.3 Obligations of the Customer

2.3.1 General

The Customer shall be responsible for:

- (A) the payment of all applicable charges pursuant to this tariff;
- (B) damage to or loss of the Company's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer Premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company;
- (C) providing at no charge, as specified from time to time by the Company, any needed equipment, space and power to operate Company facilities and equipment installed on the premises of the Customer, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises;
- (D) obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduit necessary for installation of fiber optic cable and associated equipment used to provide Communications Services to the Customer from the cable building entrance or property line to the location of the equipment space described in Section 2.3.1(C). Any and all costs associated with the obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company provided facilities, shall be borne entirely by, or may be charged by the Company, to the Customer. The Company may require the Customer to demonstrate its compliance with this section prior to accepting an order for service.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.3 Obligations of the Customer (Cont'd.)

2.3.1 General (cont'd.)

- (E) providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (e.g., friable asbestos) prior to any construction or installation work;
- (F) complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of Company facilities and equipment in any Customer premises or the rights-of-way for which Customer is responsible under Section 2.3.1(D); and granting or obtaining permission for Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company;
- (G) not creating or allowing to be placed any liens or other encumbrances on the Company's equipment or facilities; and
- (H) making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance will be made for the period during which service is interrupted for such purposes.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.3 Obligations of the Customer (Cont'd.)

2.3.2 Liability of the Customer

- (A) The Customer will be liable for damages to the facilities of the Company and for all incidental and consequential damages caused by the negligent or intentional acts or omissions of the Customer, its officers, employees, agents, invites, or contractors where such acts or omissions are not the direct result of the Company's negligence or intentional misconduct.
- (B) To the extent caused by any negligent or intentional act of the Customer as described in (A), preceding, the Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees, for (1) any loss, destruction or damage to property of any third party, and (2) any liability incurred by the Company to any third party pursuant to this or any other tariff of the Company, or otherwise, for any interruption of, interference to, or other defect in any service provided by the Company to such third party.
- (C) The Customer shall not assert any claim against any other Customer or user of the Company's services for damages resulting in whole or in part from or arising in connection with the furnishing of service under this tariff including but not limited to mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations, whether or not such other Customer or user contributed in any way to the occurrence of the damages, unless such damages were caused solely by the negligent or intentional act or omission of the other Customer or user and not by any act or omission of the Company. Nothing in this tariff is intended either to limit or to expand Customer's right to assert any claims against third parties for damages of any nature other than those described in the preceding sentence.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.4 Customer Equipment and Channels

2.4.1 General

A user may transmit or receive information or signals via the facilities of the Company. The Company's services are designed primarily for the transmission of voice-grade telephonic signals, except as otherwise stated in this tariff. A user may transmit any form of signal that is compatible with the Company's equipment, but the Company does not guarantee that its services will be suitable for purposes other than voice-grade telephonic communication except as specifically stated in this tariff.

2.4.2 Station Equipment

- (A) Terminal equipment on the user's premises and the electric power consumed by such equipment shall be provided by and maintained at the expense of the user. The user is responsible for the provision of wiring or cable to connect its terminal equipment to the Company MPOP.
- (B) The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense, subject to prior Customer approval of the equipment expense.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.4 Customer Equipment and Channels, (Cont'd.)

2.4.3 Interconnection of Facilities

SECTION 2.4.3 IS AVAILABLE ONLY TO CARRIERS WHICH ARE CERTIFIED BY
TENNESSEE PUBLIC SERVICE COMMISSION TO PROVIDE INTRASTATE LOCAL
EXCHANGE SERVICES.

- (A) Local Traffic Exchange provides the ability for another local exchange provider to terminate local traffic on the Company's network. In order to qualify for Local Traffic Exchange the call must: (a) be originated by an end user of a company that is authorized by the Tennessee Public Service Commission to provide local exchange service; (b) originate and terminate within a local calling area of the Company.
- (B) Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Communications Services and the channels, facilities, or equipment of others shall be provided at the Customer's expense.
- (C) Communications Services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers which are applicable to such connections.
- (D) Facilities furnished under this tariff may be connected to Customer provided terminal equipment in accordance with the provisions of this tariff. All such terminal equipment shall be registered by the Federal Communications Commission pursuant to Part 68 of Title 47, Code of Federal Regulations; and all user-provided wiring shall be installed and maintained in compliance with those regulations.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.4 Customer Equipment and Channels, (Cont'd.)

2.4.4 Inspections

- (A) Upon suitable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in Section 2.4.2(B) for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment.
- (B) If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.
- (C) If harm to the Company's network, personnel or services is imminent, the Company reserves the right to shut down Customer's service immediately, with no prior notice required.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.5 Customer Deposits and Advance Payments

2.5.1 Advance Payments

To safeguard its interests, the Company may require a Customer to make an advance payment before services and facilities are furnished, where special construction is involved. The advance payment will not exceed an amount equal to the nonrecurring charge(s) and one (1) month's charges for the service or facilities. In addition, the advance payment may also include an amount equal to the estimated non-recurring charges for the special construction and recurring charges (if any) for a period to be set between the Company and the Customer. The advance payment will be credited to the Customer's initial bill. Advance payments do not accrue interest. An advance payment may be required in addition to a deposit.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.5 Customer Deposits and Advance Payments (Cont'd.)

2.5.2 Deposits

- (A) To safeguard its interests, the Company may require the Customer to make a deposit to be held as a guarantee for the payment of charges in accordance with Tennessee Public Service Commission Rule 515-12-1.05(4). A deposit may be required if the Customer's financial condition is not acceptable to the Company or is not a matter of general knowledge. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. The deposit will not exceed an amount equal to two and one-half twelfths of the estimated charge for the service for the ensuing twelve months. A deposit may be required in addition to an advance payment.
- (B) Upon discontinuance of service, the Company shall promptly and automatically refund the Customer's deposit plus accrued interest, or the balance, if any, in excess of the unpaid bills including any penalties assessed for service furnished by the Company.
- (C) Deposits will accrue interest annually at the rate of 7% per annum in accordance with Tennessee Public Service Commission Rule 515-12-1.05(4)(b). Upon request of the Customer, accrued interest shall be annually credited to the Customer by deducting such interest from the amount of the next bill for service following the accrual date.
- (D) The Company shall annually and automatically refund the deposits of Customers who have paid bills for twelve consecutive months without having had service discontinued for nonpayment or had more than one occasion on which a bill was not paid within the period prescribed and are not then delinquent in payment.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.6 Payment Arrangements

2.6.1 Payment for Service

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer.

The Customer is responsible for the payment of federal excise taxes, state and local sales and use taxes and similar taxes imposed by governmental jurisdictions, all of which shall be separately designated on the Company's invoices. The Company will not separately charge for the Tennessee gross receipts tax on the Company's invoice for local services. Any taxes imposed by a local jurisdiction (e.g., county and municipal) will only be recovered from those Customers residing in the affected jurisdictions.

Certain telecommunications services, as defined in the Tennessee Revised Code, are subject to state sales tax at the prevailing tax rates, if the services originate, or terminate in Tennessee, or both, and are charged to a subscriber's telephone number or account in Tennessee.

2.6.2 Billing and Collection of Charges

The Customer is responsible for payment of all charges incurred by the Customer or other users for services and facilities furnished to the Customer by the Company.

- (A) Non-recurring charges are due and payable within thirty (30) days after the date the invoice is mailed to the Customer by the Company.
- (B) The Company shall present invoices for recurring charges monthly to the Customer, in advance of the month in which service is provided, and recurring charges shall be due and payable within thirty (30) days after the date the invoice is mailed to the Customer by the Company. When billing is based upon Customer usage, usage charges will be billed monthly for the preceding billing period.
- (C) When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have thirty (30) days.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.6 Payment Arrangements, (Cont'd.)

2.6.2 Billing and Collection of Charges, (cont'd.)

- (D) Billing of the Customer by the Company will begin on the Service Commencement Date, which is the day on which the Company notifies the Customer that the service or facility is available for use, except that the Service Commencement Date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.
- (E) If any portion of the payment is not received by the Company within 30 days of receipt of the bill, or if any portion of the payment is received by the Company in funds which are not immediately available upon presentment, then a late payment charge of 1.5% per month shall be due to the Company. A late payment charge is not applicable to subsequent rebilling of any amount to which a late payment charge has already been applied. Late payment charges are to be applied without discrimination.
- (F) The Customer should notify the Company of any disputed items on an invoice within thirty (30) days of receipt of the invoice. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the Tennessee Public Service Commission in accordance with the Commission's rules of procedure. The address of the Commission is as follows:

Tennessee Regulatory Authority
460 James Robertson Parkway
P.O. Box 3412
Nashville, TN 37219-0412
- (G) If service is disconnected by the Company (in accordance with Section 2.6.3 following) and later re-installed, re-installation of service will be subject to all applicable installation charges. If service is suspended by the Company (in accordance with Section 2.6.3 following) and later restored, restoration of service will be subject to the rates in Section 4.3.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.6 Payment Arrangements, (Cont'd.)

2.6.3 Discontinuance of Service for Cause

The Company may discontinue service for the following reasons provided in this Section 2.6.3. Customers will be provided five (5) days written notice prior to discontinuance unless otherwise indicated.

Upon the Company's discontinuance of service to the Customer under Section 2.6.3(A) or 2.6.3(B), the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff, may declare all future monthly and other charges which would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable (discounted to present value at six percent).

- (A) Upon nonpayment of any amounts owing to the Company, the Company may discontinue or suspend service without incurring any liability. No basic residential service shall be disconnected for nonpayment until at least 29 days from the date of the bill and only following proper written notification.
- (B) Upon violation of any of the other material terms or conditions for furnishing service the Company may, discontinue or suspend service without incurring any liability if such violation continues during that period.
- (C) Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.
- (D) Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, or failing to discharge an involuntary petition within the time permitted by law, the Company may immediately discontinue or suspend service without incurring any liability.
- (E) Upon any governmental prohibition or governmental required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.6 Payment Arrangements, (Cont'd.)

2.6.3 Discontinuance of Service for Cause

- (F) Without notice in the event of fraudulent use of the Company's network. The Customer will be liable for all related costs. The Customer will also be responsible for payment of any reconnection charges.
- (G) Without notice in the event of Customer use of equipment or services in such a manner as to adversely affect the Company's service to others.
- (H) Without notice in the event of tampering with the equipment or services furnished by the Company.
- (I) The Customer is responsible for providing adequate access lines to enable the Company to terminate all 800 Service calls to the Customer's telephone equipment. Should the Customer have insufficient access lines on which to terminate 800 Service calls, the Company reserves the right to request the Customer to add additional lines for call terminations. If, after ninety (90) days, the Customer has not made the requested change, the Company, without incurring any liability, reserves the right to terminate the Customer's 800 Service, with thirty (30) days written notice.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.6 Payment Arrangements, (Cont'd.)

2.6.4 Notice to Company for Cancellation of Service

Customers desiring to terminate service shall provide the Company thirty (30) days written notice of desire to terminate service.

2.6.5 Cancellation of Application for Service

- (A) Where the Company permits the Customer to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified below.
- (B) Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun.
- (C) Where the Company incurs any expense in connection with special construction, or where special arrangements of facilities or equipment have begun, before the Company receives a cancellation notice, a charge equal to the costs incurred, less net salvage, may apply. In such cases, the charge will be based on such elements as the cost of the equipment, facilities, and material, the cost of installation, engineering, labor, and supervision, general and administrative expense, other disbursements, depreciation, maintenance, taxes, provision for return on investment, and any other costs associated with the special construction or arrangements.
- (D) The special charges described in 2.6.5(A) through 2.6.5(C) will be calculated and applied on a case-by-case basis.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.6 Payment Arrangements (Cont'd.)

2.6.6 Changes in Service Requested

If the Customer makes or requests material changes in circuit engineering, equipment specifications, service parameters, premises locations, or otherwise materially modifies any provision of the application for service, the Customer's installation fee shall be adjusted accordingly.

2.6.7 Bad Check Charge

A service charge equal to the greater of \$20.00 will be assessed in accordance with Tennessee law for all checks returned by a bank or other financial institution for: Insufficient or uncollected funds, closed account, apparent tampering, missing signature or endorsement, or any other insufficiency or discrepancy necessitating return of the instrument at the discretion of the drawee bank or other financial institution.

2.7 Allowances for Interruptions in Service

2.7.1 General

- (A) A credit allowance will be given when service is interrupted, except as specified in Section 2.7.2 following. A service is interrupted when it becomes inoperative to the Customer, e.g., the Customer is unable to transmit or receive, because of a failure of a component furnished by the Company under this tariff.
- (B) An interruption period begins when the Customer reports a service, facility or circuit to be inoperative and, if necessary, releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.7 Allowances for Interruptions in Service, (Cont'd.)

2.7.1 General (cont'd.)

- (C) If the Customer reports a service, facility or circuit to be interrupted but declines to release it for testing and repair, or refuses access to its premises for test and repair by the Company, the service, facility or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service, facility or circuit considered by the Company to be impaired.
- (D) The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.

2.7.2 Limitations of Allowances

No credit allowance will be made for any interruption in service:

- (A) Due to the negligence of or noncompliance with the provisions of this tariff by any person or entity other than the Company, including but not limited to the Customer;
- (B) Due to the failure of power, equipment, systems, connections or services not provided by the Company;
- (C) Due to circumstances or causes beyond the reasonable control of the Company;
- (D) During any period in which the Company is not given full and free access to its facilities and equipment for the purposes of investigating and correcting interruptions;

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.7 Allowances for Interruptions in Service, (Cont'd.)

2.7.2 Limitations of Allowances

- (E) A service will not be deemed to be interrupted if a Customer continues to voluntarily make use of the such service. If the service is interrupted, the Customer can get a service credit, use another means of communications provided by the Company (pursuant to Section 2.7.3), or utilize another service provider;
- (F) During any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- (G) That occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and
- (H) That was not reported to the Company within thirty (30) days of the date that service was affected.

2.7.3 Use of Another Means of Communications

If the Customer elects to use another means of communications during the period of interruption, the Customer must pay the charges for the alternative service used.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.7 Allowances for Interruption in Service, (Cont'd.)

2.7.4 Application of Credits for Interruptions in Service

- (A) Credits for interruptions in service that is provided and billed on a flat rate basis for a minimum period of at least one month, beginning on the date that billing becomes effective, shall in no event exceed an amount equivalent to the proportionate charge to the Customer for the period of service during which the event that gave rise to the claim for a credit occurred. A credit allowance is applied on a pro rata basis against the rates specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.
- (B) For calculating credit allowances, every month is considered to have thirty (30) days.
- (C) A credit allowance will be given for interruptions of thirty (30) minutes or more. Two or more interruptions of fifteen (15) minutes or more during any one 24-hour period shall be combined into one cumulative interruption.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.7 Allowances for Interruption in Service, (Cont'd.)

2.7.4 Application of Credits for Interruptions in Service (cont'd.)

(D) Interruptions of 24 Hours or Less

Length of Interruption	Amount of Service To Be Credited
Less than 30 minutes	None
30 minutes up to but not including 3 hours	1/10 Day
3 hours up to but not including 6 hours	1/5 Day
6 hours up to but not including 9 hours	2/5 Day
9 hours up to but not including 12 hours	3/5 Day
12 hours up to but not including 15 hours	4/5 Day
15 hours up to but not including 24 hours	One Day

(E) Interruptions Over 24 Hours and Less Than 72 Hours

Interruptions over 24 hours and less than 72 hours will be credited 1/5 day for each 3-hour period or fraction thereof. No more than one full day's credit will be allowed for any period of 24 hours.

(F) Interruptions Over 72 Hours

Interruptions over 72 hours will be credited 2 days for each full 24-hour period. No more than thirty (30) days credit will be allowed for any one month period.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.7 Allowances for Interruption in Service, (Cont'd.)

2.7.5 Limitations on Allowances

No credit allowance will be made for:

- (A) interruptions due to the negligence of or noncompliance with the provisions of this tariff by the Customer, authorized user or joint user;
- (B) interruptions due to the negligence of any person other than the Company, including but not limited to the Customer;
- (C) interruptions of service during any period in which the Company is not given full access to its facilities and equipment for the purpose of investigating and correcting interruptions;
- (D) interruptions of service during a period in which the Customer continues to use the service on an impaired basis;
- (E) interruptions of service during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- (F) interruption of service due to circumstances or causes beyond the reasonable control of Company; and
- (G) that occur or continue due to the Customer's failure to authorize replacement of any element of special construction.

2.7.6 Cancellation For Service Interruption

Cancellation or termination for service interruption is permitted only if any circuit experiences a single continuous outage of eight (8) hours or more or cumulative service credits equaling sixteen (16) hours in a continuous twelve (12) month period. The right to cancel service under this provision applies only to the single circuit which has been subject to the outage or cumulative service credits.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.8 Cancellation of Service/Termination Liability

If a Customer cancels a service order or terminates services before the completion of the term for any reason other than a service interruption (as defined in Section 2.7.1) or where the Company breaches the terms in the service contract, Customer may be requested by the Company to pay to Company termination liability charges, which are defined below. These charges shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in Section 2.6.2.

2.8.1 Termination Liability

Customer's termination liability for cancellation of service shall be equal to:

- (A) all unpaid non-recurring charges reasonably expended by Company to establish service to Customer, plus;
- (B) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer, plus;
- (C) all recurring charges specified in the applicable Service Order for the balance of the then current term discounted at the prime rate announced in the Wall Street Journal on the third business day following the date of cancellation;
- (D) minus a reasonable allowance for costs avoided by the Company as a direct result of Customer's cancellation.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.9 Customer Liability for Unauthorized Use of the Network

Unauthorized use of the network occurs when a person or entity that does not have actual, apparent, or implied authority to use the network, obtains the Company's services provided under this tariff.

2.9.1 Customer Liability for Fraud and Unauthorized Use of the Network

- (A) The Customer is liable for the unauthorized use of the network obtained through the fraudulent use of a Company calling card, if such a card is offered by the Company, or an accepted credit card, provided that the unauthorized use occurs before the Company has been notified.
- (B) A Company calling card is a telephone calling card issued by the Company at the Customer's request, which enables the Customer or user(s) authorized by the Customer to place calls over the Network and to have the charges for such calls billed to the Customer's account.

An accepted credit card is any credit card that a cardholder has requested or applied for and received, or has signed, used, or authorized another person to use to obtain credit. Any credit card issued as a renewal or substitute in accordance with this paragraph is an accepted credit card when received by the cardholder.

- (C) The Customer must give the Company written or oral notice that an unauthorized use of a Company calling card or an accepted credit card has occurred or may occur as a result of loss, and/or theft.
- (D) The Customer is responsible for payment of all charges for calling card services furnished to the Customer or to users authorized by the Customer to use service provided under this tariff, unless due to the negligence of the Company. This responsibility is not changed due to any use, misuse, or abuse of the Customer's service or Customer-provided equipment by third parties, the Customer's employees, or the public.

The liability of the Customer for unauthorized use of the Network by credit card fraud will not exceed the lesser of fifty dollars (\$50.00) or the amount of money, property, labor, or services obtained by the unauthorized user before notification to the Company.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.10 Use of Customer's Service by Others

2.10.1 Resale and Sharing

SECTION 2.10.1 IS AVAILABLE ONLY TO CARRIERS WHICH ARE CERTIFIED BY
THE TENNESSEE PUBLIC SERVICE TO PROVIDE INTRASTATE LOCAL
EXCHANGE SERVICES

There are no prohibitions or limitations on the resale of services. Prices for services appear in the price sheet attached to this tariff. Any service provided under this tariff may be resold to or shared with other persons at the option of Customer, subject to compliance with any applicable laws of the Tennessee Public Service Commission regulations governing such resale or sharing. The Customer remains solely responsible for all use of services ordered by it or billed to its telephone number(s) pursuant to this tariff, for determining who is authorized to use its services, and for notifying the Company of any unauthorized use.

2.10.2 Joint Use Arrangements

Joint use arrangements will be permitted for all services provided under this tariff. From each joint use arrangement, one member will be designated as the Customer responsible for the manner in which the joint use of the service will be allocated. The Company will accept orders to start, rearrange, relocate, or discontinue service only from the Customer. Without affecting the Customer's ultimate responsibility for payment of all charges for the service, each joint user shall be responsible for the payment of the charges billed to it.

2.11 Transfers and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties to a) any subsidiary, parent company or affiliate of the Company; b) pursuant to any sale or transfer of substantially all the assets of the Company; or c) pursuant to any financing, merger or reorganization of the Company.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.12 Notices and Communications

- 2.12.2** The Customer shall designate on the service order an address to which the Company shall mail or deliver all notices and other communications, except that Customer may also designate a separate address to which the Company's bills for service shall be mailed.
- 2.12.3** The Company shall designate on the service order an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate a separate address on each bill for service to which the Customer shall mail payment on that bill.
- 2.12.4** Except as otherwise stated in this tariff, all notices or other communications required to be given pursuant to this tariff will be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following placement of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- 2.12.5** The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

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SECTION 3 - SERVICE AREAS

3.1 Exchange Service Areas

Local exchange services are provided, subject to availability of facilities and equipment, in areas currently served by the following Incumbent LECs: 1) BellSouth Telecommunications, Inc.

3.2 Rate Groups

Charges for local services provided by the Company may be based, in part, on the Rate Group associated with the Customers End Office. The Rate Group is determined by the total access lines and PBX trunks in the local calling area which can be reached from each End Office.

In the event that an Incumbent LEC or the Tennessee Public Service Commission reclassifies an exchange or End Office from one Rate Group to another, the reclassification will also apply to One Source Customers who purchase services under this tariff. Local calling areas and Rate Group assignments are equivalent to those areas and groups specified in BellSouth Telecommunications, Inc. Tennessee General Subscriber Service Tariff ("GSST").

Rate Group	Exchange Access Lines and PBX Trunks In Local Calling Area - Upper Limit
1	up to 12,000
2	12,001 to 27,000
3	27,001 to 85,000
4	85,001 to 300,000
5	300,001 to 500,000
	Exceptions to the Calling Area Groups
1C	Cedar Grove Exchange
2B	Lyles Exchange
2C	Big Sandy Exchange
2D	Summertown Exchange
3B	Bulls Gap Exchange

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SECTION 3 - SERVICE AREAS, (CONT'D.)

3.3 Local Calling Areas

The rates specified in Section 7 entitle subscribers to access all stations bearing the central office designations of additional exchanges as shown following. The local calling area of the exchange in the left-hand column also includes the exchanges listed in the right-hand columns.

Exchange	BellSouth Exchanges	Other Independent Exchanges
Adams-Cedar Hill Rate Group 5	Cross Plains-Orlinda, Goodlettsville, Greenbrier, Nashville, Old Hickory, Springfield, White House	Lavergne (Davidson County subscriber only), Nolensville (Davidson County subscribers only)
Arlington Rate Group 5	Collierville, Covington, LaGrange, Memphis, Somerville, West Whiteville and also including Tennessee subscriber in Moscow	Drummonds, Mason, Millington, Munford, Rosemark, Shelby Forest
Ashland City Rate Group 5	Goodlettsville, Nashville, Old Hickory, Pleasant View	Lavergne (Davidson County subscribers only), Nolensville (Davidson County subscribers only)
Athens Rate Group 2	Charleston, Decatur, Etowah	Englewood, Niota, Riceville
Bean Station Rate Group 4	Bulls Gap, Knoxville, Mascot- Strawberry Plains, Morristown, Solway	Concord, Halts Cross Roads, Powell, Rutledge, Tate Springs, Washburn
Bells Rate Group 1		Alamo, Friendship, Maury City
Bent Creek Rate Group 4	Chestnut Hill, Concord, Knoxville, Mascot-Strawberry Plains, Newport, Solway, including those stations located in Waterville, North Carolina and vicinity which are a part of the Newport exchange	Halls Cross Roads, Powell

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SECTION 3 - SERVICE AREAS, (CONT'D.)

3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Benton Rate Group 3	Cleveland, also including those stations located in Tennega, Georgia, and vicinity which are a part of the Benton exchange; Copper Basin, Georgetown.	
Bethel Springs Rate Group 1	Selmar	Adamsville, Milledgeville (687-XX numbers)
Big Sandy Rate Group 2C	Camden, Paris	
Blanche Rate Group 2	Fayetteville, Flintville, Petersburg	McBurg ¹ , TN, and Ardmore ¹ , AL, including those stations in Ardmore ¹ , TN, and vicinity which are a part of the Ardmore ¹ , AL exchange.
Bolivar Rate Group 1	Grand Junction, Middleton, West Whiteville, Whiteville	
Brownsville Rate Group 1		Stanton
Bulls Gap Rate Group 3B	Bean Station, Morristown, Rogersville, Surgoinsville	Greenville, Mosheim
Camden Rate Group 1	Big Sandy	
Carthage Rate Group 1		Chestnut Mound, Defeated, Gordonsville, Highland, Pleasant Shade
Cedar Grove Rate Group 1C	Huntingdon, McKenzie	Atwood, Bruceton, Trezevant
Centerville Rate Group 1	Lyles, Spencer Mill	

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Charleston Rate Group 4	Athens, Cleveland, Etowah, Georgetown, Soddy-Daisy. Also including Tennessee subscribers in Chattanooga.	Apison, Collegedale, Englewood, Niota, Ooltewah, Riceville
Charlotte Rate Group 5	Dickson, Goodlettsville, Kingston Springs, Lyles, Nashville, Old Hickory, Vanleer, West Kanlccr, White Bluff	Lavergne (Davidson County subscribers only), Nolensville (Davidson County subscribers only)
Chattanooga Rate Group 4 Tennessee Exch.'s	Charleston, Cleveland, Dayton, Decatur, Georgetown, Jasper, Soddy-Daisy, South Pittsburg, Spring City, Whitwell	Apison, College Station, Collegedale, Dunlap, Fall Creek Falls, Nine Mile, Ooltewah, Pikeville
Georgia Exch.'s		Chickamauga, High Point, Kensington, LaFayeue, Noble, Ringgold, Rising Fawn, Rossville. Trenton, Villanow, WestBrow
Chestnut Hill Rate Group 4	Bent Creek, Knoxville, Maccot-Strawberry Plains, Newport, Solway, including those stations located in Waterville, Nonh Carolina and vicinity which are a part of the Newport exchange.	Concord, Halls Cross Roads, Powell
Clarksville Rate Group 3	Cunningham, East Sango, Fredonia, Palmyra, Sango, South Cunningham, South Fredonia. Oak Grove, KY including those stations located in South Oak Grove, TN and vicinity which are a part of Oak Grove, KY	

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SECTION 3 - SERVICE AREAS, (CONT'D.)

3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Cleveland Rate Group 4	Benton, Charleston, Chattanooga, Soddy-Daisy	Apison, Collegedale, Ooltewah
Clinton Rate Group 4	Knoxville, Lake City, Mascot- Strawberry Plains, Norris, Oak Ridge, Oliver Springs, Solway	Claxton, Concord, Halls Cross Roads, Powell
Collierville Rate Group 5	Arlington, Memphis, West Whiteville, also including those stations located in Mt. Pleasant, MS and vicinity which are a pan of the Collierville exchange. Tennessee subscribers also receive local calling to Covington, LaGrange, Moscow and Somerville	Millington, Rosemark, Shelby Forest. Tennessee subscribers also receive local calling to Drummonds, Mason and Munford
Columbia Rate Group 2	Culleoka, Hampshire, Mt. Pleasant. North Spring Hill, Santa Fe. Spring Hill, Summertown, Williamsport	
Copper Basin Rate Group 1	Benton including those stations located in McCaysville, GA, and Liberty, NC. and vicinity, which are a part of the Copper Basin exchange	Blue Ridge, Dial and Lakewood, GA

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Covington Rate Group 5	Arlington. Also including Tennessee subscribers in Collierville and Memphis.	Drummonds, Mason (Tipton County subscribers), Millington, Munford, Rosemark, Shelby, Forest
Cross Plains- Orlinda Rate Group 5	Adams-Cedar Hill, Goodlettsville, Greenbrier, Nashville, Old Hickory, Springfield, White House	Lavergne (Davidson County subscribers only), Nolensville, (Davidson County subscribers only)
Culleoka Rate Group 2	Columbia, Hampshire, Mt. Pleasant, North Spring Hill, Santa Fe, Spring Hill, Williamsport	
Cumberland City Rate Group 1	Dover	
Cumberland Gap Rate Group 2		Cumberland Gap (VA), New Tazewell (TN), Sharps Chapel (TN), Middlesboro (KY), also including those stations located in Fork Ridge, (TN), which are a part of the Middlesboro (KY), exchange.
Cunningham Rate Group 3	Clarksville, East Sango, Fredonia, Palmyra, Sango, South Cunningham, South Fredonia, and Oak Grove (KY) including those stations located in South Oak Grove (TN) and vicinity which are a part of the Oak Grove (KY) exchange.	
Dandridge Rate Group 4	Jefferson City, Knoxville, Mascot-Strawberry Plains, Solway, White Pine	Concord, Halls Cross Roads, Powell

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Dayton Rate Group 4	Chattanooga, Georgetown, Soddy-Daisy, Spring City	Apison, Collegedale, Ooltewah,
Decatur Rate Group 4	Athens, Chattanooga, Georgetown, Soddy-Daisy	Apison, Collegedale, Ooltewah
Dickson Rate Group 5	Charlotte, Goodlettsville, Kingston Springs, Lyles, Nashville, Old Hickory, Spencer Mill, Vanleer, West Manlier, White Bluff	Lavergne (Davidson County subscribers only), Nolensville (Davidson County subscribers only)
Dover Rate Group 1	Cumberland City	
Dyer Rate Group 2	Gibson, Humboldt, Kenton, Medina, Milan, Trenton	Bradford, Brazil, Rutherford, Yorkville
Dyersburg Rate Group 2	Newbern	Trimblet
Eagleville Rate Group 5	Goodlettsville, Murfreesboro, Nashville, Old Hickory, Smyrna	Fosterville (Rutherford County subscribers only), Lavergne, Nolensville (Davidson County subscribers only)
East Sango Rate Group 5	Clarksville, Cunningham, Fredonia, Goodlettsville, Nashville, Old Hickory, Palmyra, Sango, South Cunningham, South Fredonia and Oak Grove (KY), including those stations located in South Oak Grove (TN), and vicinity which are a part of the Oak Grove (KY) exchange	Lavergne (Davidson County subscribers only), Nolensville (Davidson County subscribers only)

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Elkton Rate Group 1	Lynnville, Pulaski	Minor Hill and Ardmore, (AL), including those stations in Ardmore (TN), which are a part of the Ardmore (AL) exchange.
Etowah Rate Group 2	Athens, Charleston	Englewood, Niota, Riceville
Fairview Rate Group 5	College, Franklin, Goodlettsville, Nashville, Old Hickory, Triune	College Grove, Lavergne (Davidson County subscribers only), Nolensville
Fayetteville Rate Group 1	Blanche, Flintville, Petersburg	McBurg
Flintville Rate Group 1	Blanche, Flintville, Petersburg	McBurg
Fork Ridge Rate Group 2	Cumberland Cap (TN), Cumberland Gap (VA), Pineville (KY) and all stations in Middlesboro (KY) of which Fork Ridge is a part	
Franklin Rate Group 5	Fairview, Goodlettsville, Nashville, Old Hickory, Triune	College Grove, Lavergne (Davidson County subscribers only), Nolensville
Fredonia Rate Group 3	Clarksville, Cunningham, East Sango, Palmyra, Sango, South Cunningham, South Fredonia and Oak Grove (KY), including those stations located in South Oak Grove (TN) and vicinity which are a part of the Oak Grove (KY) exchange.	

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Gallatin Rate Group 5	Goodlettsville, Hendersonville, Nashville, Old Hickory, Portland, Westmoreland, White House	Bethpage, Lavergne (Davidson County subscribers only), Nolensville (Davidson County subscribers only), Oak Grove
Gatlinburg Rate Group 4	Knoxville, Mascot-Strawberry Plains, Sevierville, Solway	Concord, Halls Cross Roads, Powell
Georgetown Rate Group 4	Benton, Charleston, Chattanooga, Cleveland, Dayton, Decatur, Jasper, Ooltewah, Soddy-Daisy, South Pittsburg, Spring City, Whitwell	Apison, Collegedale, Ooltewah
Gibson Rate Group 2	Dyer, Humboldt, Medina, Milan, Trenton	Bradford, Brazil Rutherford, Yorkville
Gleason Rate Group 1	Greenfield	Dresden, Greenfield, Latharn, Martin, Palmersville, Sharon, Sidonia
Goodlettsville Rate Group 5	Adams-Cedar Hill, Ashland City, Charlotte, Cross Plains- Orlinda, Dickson, Eagleville, East Sango, Fairview, Franklin, Gallatin, Greenbriar, Hendersonville, Kingston Springs, Lebanon, Murfreesboro, Nashville, North Spring Hill, Old Hickory, Pleasant View, Portland, Smyrna, South Cunningham, South Fredonia, Spencer Mill, Springfield, Triune, Vanleer, Watertown, West Vanleer, White Bluff, White House	Alexandria (Wilson County subscribers only), Auburntown (Wilson County subscribers only), College Grove, Fosterville (Rutherford County subscribers only), Lavergne, Liberty (Wilson County subscribers only), Milton, Mt. Juliet, Nolensville, Norene, Woodbury (Rutherford County subscribers only)

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Grand Junction Rate Group 1	Bolivar, LaGrange, Middleton, West Whitevill, Whiteville, also including those stations located in Michigan City (MS), and vicinity which are a part of the Grand Junction exchange	
Greenback Rate Group 4	Knoxville, Lenoir City, Loudon, Maryville, Mascot- Strawberry Plains, Powellt, Solway	Concord, Halls Cross Roads
Greenbrier Rate Group 5	Adams-Cedar Hill, Cross Plains-Orlinda, Goodlettsville, Nashville, Old Hickory, Springfield, White House	Lavergne (Davidson County subscribers only), Nolensville (Davidson County subscribers only)
Greenfield Rate Group 1	Gleason, Sidonia	Dresden, Latham, Martin, Palmersville, Sharon
Halls Rate Group 1	Henning, Ripley	

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Hampshire Rate Group 2	Columbia, Culleoka, Mt. Pleasant, North Spring Hill, Santa Fe, Spring Hill, Williamsport	
Harriman Rate Group 4	Kingston, Knoxville, Mascot- Strawberry Plains, Oliver Springs, Rockwood, Solway	Concord, Halls Cross Roads, Oakdale, Powell
Hartsville Rate Group 1		Green Grove, Hillsdale
Henderson Rate Group 1		Milledgeville (688-xxxx numbers)
Hendersonville Rate Group 5	Gallatin, Goodlettsville, Nashville, Old Hickory, Portland, White House	Lavergne (Davidson County subscribers only), Nolensville' (Davidson County subscribers only)
Henning Rate Group 1	Halls, Ripley	
Hohenwald Rate Group 1		
Hornbeak Rate Group 1	Kenton, Troy, Union City	
Humboldt Rate Group 2	Dyer, Gibson, Medina, Milan, Trenton	Bradford, Brazil, Rutherford, Yorkville
Huntingdon Rate Group 2	Cedar Grove, McKenzie	Atwood, Bruceton, Trezevant

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Huntland Rate Group 1	Sewanee, Winchester, also including those stations located in Francisco (AL), and vicinity, which are a part of the Huntland (TN) exchange.	Estill Springs
Jackson Rate Group 3		
Jasper Rate Group 4	Chattanooga, Georgetown, Soddy-Daisy, South Pittsburg, Whitwell	Apison, Collegedale, Ooltewah
Jefferson City Rate Group 4	Dandridge, Knoxville, Mascot- Strawberry Plains, Solway, White Pine	Concord, Halls Cross Roads, Powell
Jellico Rate Group 3	LaFollette, Corbin (KY) and Williamsburg (KY) also including those stations located in Jellico (KY), and vicinity which are a part of the Jellico (TN) exchange	
Kenton Rate Group 2	Dyer, Hombeak, Trenton, Troy, Union City	Mason Hall, Rutherford
Kingston Rate Group 4	Harriman, Knoxville, Mascot- Strawberry Plains, Oliver Springs, Rockwood, Solway	Concord, Halls Cross Roads, Powell

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Kingston Springs Rate Group 5	Charlotte, Dickson, Goodlettsville, Lyles, Nashville, Old Hickory, Spencer Mill, Vanleer, West Vanleer, White Bluff	Lavergne (Davidson County subscribers only), Nolensville (Davidson County subscribers only)
Knoxville Rate Group 4	Bean Staddon, Bent Creek, Chestnut Hill, Clinton, Dandridge, Gatlinburg, Greenback, Harriman, Jefferson City, Kingston, Lake City, Lenoir City, Loudon, Maryville, Mascot-Strawberry Plains, Maynardville, Norris, Oak Ridge, Oliver Springs, Rockwood, Sevierville, Solway, West Sweetwater, White Pine	Claxton, Concord, Halls Cross Roads, Powell, Rutledge, Sharps Chapel Tate Springs, Washburn
LaFollette Rate Group 2	Jellico	
LaGrange Rate Group 5	Arlington, Collierville, Grand Junction, Memphis, Moscow, and Somerville	Millington, Rosemark, Shelby Forest

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Lake City Rate Group 4	Clinton, Knoxville, Mascot- Strawberry Plains, Norris, Oak Ridge, Oliver Springs, Solway	Claxton Concord, Halls Cross Roads, Powell
Lawrenceburg Rate Group 2	Summertown	Ethridge, Five Points, Leoma, Loretto, St. Joseph
Lebanon Rate Group 5	Goodlettsville, Nashville, Old Hickory, Watertown	Lavergne (Davidson County subscribers only), Mt. Juliet, Nolensville (Davidson County subscribers only). Norene
Lenoir City Rate Group 4	Greenback, Knoxville, Loudon, Mascot-Strawberry Plains, Solway	Concord, Halls Cross Roads, Powell
Lewisburg Rate Group 1	Chapel Hill, Cornersville, Petersburg	Belfast

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Lexington Rate Group 1	Parsons, Sardis, Scotts Hill	
Loudon Rate Group 4	Greenback, Knoxville, Lenoir City, Solway	Concord, Halls Cross Roads, Powell
Lyles Rate Group 2B	Centerville, Charlotte, Dickson, Kingston Springs, Spencer Mill, Vanleer, West Vanleer, White Bluff	
Lynchburg Rate Group 1		
Lynnville Rate Group 1	Elkton, Pulaski	Minor Hill
Madisonville Rate Group 1	Sweetwater, West Sweetwater	Ball Play, Coker Creek, Tellico Plains, Vonore
Manchester Rate Group 2	Tullahoma	Beech Grove, Hillsboro, Pelham
Maryville Rate Group 4	Greenback, Knoxville, Mascot- Strawberry, Plains, Solway	Concord, Halls Cross Roads, Powell
Mascot-Strawberry Plains Rate Group 4	Bean Station, Bent Creek, Chestnut Hill, Clinton, Dandridge, Gatlinburg, Greenback, Harriman, Jefferson City, Kingston, Knoxville, Lake City, Lenoir City, Loudon, Maryville, Maynardville, Nonis, Oak Ridge, Oliver Springs, Rockwood, Sevierville, Solway, West Sweetwater, White Pine	Claxton, Concord, Halls Cross Roads, Powell, Rutledge, Sharps Chapel, Tate Springs, Washburn

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Maynardville Rate Group 4	Knoxville, Mascot-Strawberry Plains, Solway	Concord, Halls Cross Roads, Powell, Sharps Chapel
McEwen Rate Group 1	Waverly	New Johnsonville
McKenzie Rate Group 1	Cedar Grove, Huntingdon	Atwood, Bruceton, Henry, Trezevant
Medina Rate Group 2	Dyer, Gibson, Humboldt, Milan, Trenton	Bradford, Brazil, Rutherford, Yorkville
Memphis Rate Group 5 Tennessee Exch.'s	Covington, LaGrange, Moscow and Somerville	Drummonds, Mason, Munford
Arkansas Exch.'s	Arlington, Collierville, West Memphis Zone Whiteville, Marion, and West Memphis	Millington, Rosemark, Shelby Forest
Michie Rate Group 4		Rienzi (MS) and all stations in Corinth, (MS) of which Michie is a part
Middleton Rate Group 1	Bolivar, Grand Junction, West Whiteville, Whiteville	
Milan Rate Group 2	Dyer, Gibson, Humboldt, Medina, Trenton	Atwood, Bradford, Brazil Rutherford, Yorkville
Morristown Rate Group 2	Bean Station, Bulls Gap	
Moscow Rate Group 5	LaGrange, Somerville, also including those stations located in South Moscow (MS) and vicinity which are a part of the Moscow exchange. Tennessee subscribers also receive local calling to Arlington, Collierville and Memphis.	Millington, Rosemark, Shelby Forest

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Mount Pleasant Rate Group 2	Columbia, Culleoka, Hampshire, North Spring Hill, Santa Fe, Spring Hill, Summertown, Williamsport	
Murfreesboro Rate Group 5	Eagleville, Goodlettsville, Nashville, Old Hickory, Smyrna	Milton, Fosterville (Rutherford County subscribers only), Lavergne, Nolensville
Nashville Rate Group 5	(Davidson County subscribers only), Woodbury*, Woodland* Adams-Cedar Hill, Alexandria* (Wilson County subscribers only) Ashland City, Aubumtown* (Wilson County subscribers only), Charlotte, College Grove*, Cross Plains-Orlinda, Dickson, Eagleville, & Sango, Fairview, Fosterville* (Rutherford County subscribers only), Franklin, Gallatin, Goodlettsville, Greenbriar, Hendersonville, Kingston Springs, Lavergne*, Lebanon, Liberty* (Wilson County subscribers only), Milton*, Mt. Juliet*, Murfreesboro, Nolensville*, Norene*, North Spring Hill, Old Hickory, Pleasant View, Portland, Smyrna, South Cunningham, South Fredonia, Spencer Mill, Springfield, Triune, Vanleer, Watertown, <i>West yanker</i> , White Bluff, White House, Woodbury* (Rutherford County subscribers only)	
Newbern Rate Group 2	Dyersburg, Trimble	Yorkville
Newport Rate Group 1	Bent Creek, Chestnut Hill, including those stations located in Waterville (NC) and vicinity which are a part of the Newport exchange	
Normandy Rate Group 2	Shelbyville, Tulboma, Wartrace	Flat Creek, Fosterville (Bedford County subscribers only), Unionville

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Norris Rate Group 4	Clinton, Knoxville, Lake City, Mascot-Strawberry Plains, Oak Ridge, Oliver Springs, Solway	Claxton, Concord, Halls Cross Roads, Powell
North Spring Hill Rate Group 5	Columbia, Culleoka, Goodlettsville, Mt. Pleasant, Nashville, Old Hickory, Santa Fe, Spring Hill, Williamsport	Lavergne (Davidson County subscribers only), Nolensville (Davidson County subscribers only)
Oak Ridge Rate Group 4	Clinton, Knoxville, Lake City, Mascot-Strawberry Plains, Norris, Oliver Springs, Solway	Claxton, Concord, Halls Cross Roads, Powell
Old Hickory Rate Group 5	Adams-Cedar Hill, Ashland City, Charlotte, Cross Plains-Orlinda, Dickson, Eagleville, East Sango, Fairview, Franklin, Gallatin, Goodlettsville, Greenbriar, Hendersonville, Kingston Springs, Lebanon, Murfreesboro, Nashville, North Spring Hill, Pleasant View, Portland, Smyrna, South Cunningham, South Fredonia, Spencer Mill, Springfield, Triune, Vaoleer, Watertown, West Vanleer, White Bluff, White House	Alexandria (Wilson County subscribers only), Auburntown (Wilson County subscribers only), College Grove, Fosterville (Rutherford County subscribers only), Lavergne, Liberty (Wilson County subscribers only), Milton, Mt. Juliet, Nolensville, Norene, Woodbury (Rutherford County subscribers only)
Oliver Springs Rate Group 4	Clinton, Harriman, Kingston, Knoxville, Lake City, Mascot-Strawberry Plains, Norris, Oak Ridge, Rockwood, Solway	Claxton, Concord, Halls Cross Roads, Powell

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Palmyra Rate Group 3	Clarksville, Cunningham, East Sango, Fredonia, Sango, South Cunningham, South Fredonia, and Oak Grove (KY) including those stations located in South Oak Grove (TN), and vicinity which are a part of the Oak Grove (KY) exchange	
Paris Rate Group 2	Big Sandy	Cottage Grove, Henry, Puryear
Petersburg Rate Group 1	Blanche, Fayetteville, Flintville, Lewisburg	Belfast, Chapel Hill, Cornersville, McBurg

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Pleasant View Rate Group 5	Ashland City, Goodlettsville, Nashville, Old Hickory	Lavergne (Davidson County subscribers only), Nolensville (Davidson County subscribers only)
Portland Rate Group 5	Gallatin, Goodlettsville, Hendersonville, Nashville, Old Hickory, White House	Lavergne (Davidson County subscribers only), Nolensville (Davidson County subscribers only), Oak Grove
Pulaski Rate Group 1	Elkton, Lynnville also including those stations located in Veto (AL) and vicinity which are a part of the Pulaski exchange	Minor Hill,
Ridgely Rate Group 1	Tiptonville	
Ripley Rate Group 1	Halls, Henning	
Rockwood Rate Group 1	Harriman, Kingston, Knoxville, Mascot-Strawberry Plains, Oliver Springs, Solway	Concord, Halls Cross Roads, Powell
Rogersville Rate Group 1	Bulls Gap, Surgoinsville	

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Sango Rate Group 3	Clarksville, Cunningham, East Sango, Fredonia, Palmyra, South Cunningham, South Fredonia and Oak Grove (KY) including those stations located in South Oak Grove (TN) and vicinity which are a part of the Oak Grove (KY) exchange.	
Santa Fe Rate Group 2	Columbia, Culleoka, Hampshire, Mt. Pleasant, North Spring Hill, Spring Hill, Williamsport	
Savannah Rate Group 1		Adamsville, Milledgeville (687-XXXX numbers) and Shiloh including those stations in Yellow Creek (MS) and vicinity which are a part of the Shiloh exchange.
Selmer Rate Group 1	Bethel Springs	Adamsville, Milledgeville (687-XXXX numbers)
Sevierville Rate Group 4	Gatlinburg, Knoxville, Mascot-Strawberry Plains, Solway	Concord, Halls Cross Roads, Powell
Sewanee Rate Group 1	Huntland, Winchester	Estill Springs
Shelbyville Rate Group 1	Normandy, Wartrace	Beech Grove, Flat Creek, Fosterville (Bedford County subscribers only), Unionville
Smyrna Rate Group 5	Eagleville, Goodlettsville, Murfreesboro, Nashville, Old Hickory	Fosterville, Lavergne, Nolensville (Davidson County subscribers only)
Sneedville Rate Group 1		

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Soddy-Daisy Rate Group 4	Charleston, Chattanooga, Cleveland, Dayton, Decatur, Georgetown, Jasper, South Pittsburg, Spring City, Whitwell	Apison, Collegedale, College Station, Dunlap, Fall Creek Falls, Nine Mile, Ooltewah, Pikeville
Solway Rate Group 4	Bean Station, Bent Creek, Chestnut Hill, Clinton, Dandridge, Gatlinburg, Greenback, Hatriman, Jefferson City, Kingston, Knoxville, Lake City, Lenoir City, Loudon, Maryville, Mascot- Strawberry Plains, Maynardville, Norris, Oak Ridge, Oliver Springs, Rockwood, Sevierville, Tate Springs, West Sweetwater, White Pine	Claxton, Concord, Halls Cross Roads, Powell, Rutledge, Sharps Chapel, Washburn
Somerville Rate Group 5	Arlington, Collierville, LaGrange, Memphis, Moscow	Mason (certain subscribers in Fayette County only), Millington, Rosemark, Shelby Forest
South Cunningham Rate Group 5	Clarksville, Cunningham, East Sango, Fredonia, Goodlettsville, Nashville, Old Hickory, Palmyra Sango and Oak Grove (KY), including those stations located in South Oak Grove, (TN) and vicinity which are a part of the Oak Grove (KY) exchange	Lavergne (Davidson County subscribers only), Nolensville (Davidson County subscribers only)

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
South Fredonia Rate Group 5	Clarksville, Cunningham, East Sango, Fredonia, Goodlettsville, Nashville, Old Hickory, Palmyra Sango, South Fredonia (TN) and Oak Grove (KY), including those stations located in South Oak Grove (TN) and vicinity which are a part of the Oak Grove (KY) exchange	Lavergne (Davidson County subscribers only), Nolensville (Davidson County subscribers only)
South Fulton Rate Group 1	Cayce, Hickman or Water Valley, Kentucky and all stations in South Fulton (TN) and Fulton (KY), bearing the designation of a central office of the Fulton (KY) exchange of which South Fulton is a part	
South Guthrie Rate Group 1	Elkton, Sharon Grove or Trenton (KY) and all stations in South Guthrie (TN) and Guthrie (KY) bearing the designation of a central office of the Guthrie (KY) exchange of which South Guthrie is a part	

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
South Oak Grove Rate Group 4	Clarksville, Cunningham, East Sango, Fredonia Palmyra, Sango, South Cunningham, South Fredonia (TN) and Bluff Springs, Crofton, Gracey, Hopkinsville, Wayette or Pembroke (KY) and all stations in South Oak Grove (TN) and Oak Grove (KY) bearing the designation of a central office of the Oak Grove (KY) exchange of which South Oak Grove is a part	
South Pittsburg Rate Group 4	Chattanooga, Georgetown, Jasper, Soddy-Daisy, Whitwell	Apison, Collegedale, Ooltewah
Spencer Mill Rate Group 5	Centerville, Charlotte, Dickson, Goodlettsville, Kingston Springs, Lyla, Nashville, Old Hickory, Vanleer, West Vanleer, White Bluff	Lavergne (Davidson County subscribers only), Nolensville (Davidson County subscribers only)
Spring City Rate Group 4	Chattanooga, Dayton, Georgetown, Soddy-Daisy	Apison, Collegedale, Ooltewah
Springfield Rate Group 5	Adams-Cedar Hill, Cross Plains-Orlinda, Goodlettsville, Greenbrier, Nashville, Old Hickory, White House	Lavergne (Davidson County subscribers only), Nolensville (Davidson County subscribers only)
Spring Hill Rate Group 2	Columbia, Culleoka, Hampshire, Mt. Pleasant, North Spring Hill, Santa Fe, Williamsport	
Summertown Rate Group 2D	Columbia, Lawrenceburg, Mt. Pleasant	Ethridge, Lawrenceburg, Leoma, Loretto, St. Joseph

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Surgoinsville Rate Group 1	Bulls Gap, Rogersville	
Sweetwater Rate Group 1	Madisonville, West Sweetwater	Ball Play, Coker Creek, Tellico Plains, Vonore
Tiptonville Rate Group 1	Ridgely, also including those stations located in Bessie Bend (KY), which are a part of the Tiptonville exchange	
Trenton Rate Group 2	Dyer, Gibson, Humboldt, Kenton, Medina, Milan	Bradford, Brazil, Rutherford, Yorkville
Triune Rate Group 5	Fairview, Franklin, Goodlettsville, Nashville, Old Hickory	College Grove, Lavergne (Davidson County subscribers only), Nolensville
Troy Rate Group 1	Hornbeak, Kenton, Union City	
Tullahoma Rate Group 2	Manchester, Normandy	Hillsboro, Pelham
Union City Rate Group 1	Hornbeak, Kenton, Troy (TN), also including those stations located in Jordan, (KY), and vicinity which are a part of the Union City exchange	Mason Hall
Vanleer Rate Group 5	Charlotte, Dickson, Goodlettsville, Kingston Springs, Lyles, Nashville, Old Hickory, Spencer Mill, White Bluff	Lavergne (Davidson County subscribers only), Nolensville (Davidson County subscribers only)
Wartrace Rate Group 1	Normandy, Shelbyville	Beech Grove, Flat Creek, Fosterville (Bedford County subscribers only), Unionville

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Watertown Rate Group 5	Goodlettsville, Lebanon, Mt. Juliet, Nashville, Old Hickory	Lavergne (Davidson County subscribers only), Nolensville (Davidson County subscribers only), Norene
Waverly Rate Group 1	McEwen	New Johnsonville
West Sweetwater Rate Group 4	Knoxville, Madisonville, Mascot-Strawberry Plains, Sweetwater, Solway	Ball Play, Coker Creek, Concord, Halls Cross Roads, Powell, Tellico Plains, Vonore
West Vanleer Rate Group 5	Charlotte, Dickson, Goodlettsville, Kingston Springs, Lyles, Nashville, Old Hickory, Spencer Mill, White Bluff	Erin, Lavergne (Davidson County subscribers only), Nolensville (Davidson County subscribers only), Tennessee Ridge
West Whiteville Rate Group 5	Arlington, Bolivar, Collierville, Grand Junction, Memphis, Middleton, Whiteville	Millington, Rosemark, Shelby Forest
White Bluff Rate Group 5	Charlotte, Dickson, Goodlettsville, Kingston Springs, Lyles, Nashville, Old Hickory, Spencer Mill, Vanleer, West Vanleer	Lavergne (Davidson County subscribers only), Nolensville (Davidson County subscribers only)
White House Rate Group 5	Adams-Cedar Hill, Cross Plains-Orlinda, Gallatin, Goodlettsville, Greenbrier, Hendersonville, Nashville, Old Hickory, Portland, Springfield	Lavergne (Davidson County subscribers only), Nolensville (Davidson County subscribers only)
White Pine Rate Group 4	Dandridge, Jefferson City, Knoxville Mascot-Strawberry Plains, Solway	Concord, Halls Cross Roads, Powell
Whiteville Rate Group 1	Bolivar, Grand Junction, Middleton, West Whiteville	

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3.3 Local Calling Areas, (Cont'd.)

Exchange	BellSouth Exchanges	Other Independent Exchanges
Whitwell Rate Group 4	Chattanooga, Georgetown, Jasper, Soddy-Daisy, South Pittsburg	Apison, Collegedale, Ooltewah
Williamsport Rate Group 2	Columbia, Culleoka, Hampshire, Mt. Pleasant, North Spring Hill, Santa Fe, Spring Hill	
Winchester Rate Group 1	Huntland, Sewanee	Estill Springs

3.4 County-Wide Calling

In addition to the local calling areas as described in Section 3.3, toll free calling on a (1+) or (0+) basis is provided between all local exchange service located within the same county. Toll charges will be eliminated on these calls; however, these calls will be rated and charged as local calls for customers who subscribe to a local usage based pricing option. On operator assisted calls, appropriate local operator service charges will apply. Intracounty toll calls that terminate to a Local Exchange Company that is not participating in County-Wide Calling will be rated at appropriate toll charges found in this Tariff.

This service will be provided to subscribers moving into designated fringe areas a maximum of 30 days will be required to provide this service.

3.4.1 Non applicable calls

These additional local calling areas are not provided to the following:

- (A) Sent paid Customer-Provided Public Telephone Service;
- (B) Outward Wide Area Telecommunications Service (WATS) and 800 Service;
- (C) Originating Cellular Service;
- (D) Quoted Charges;
- (E) Foreign Exchange; and
- (F) Remote Call Forwarding

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3.5 List of Exchanges by Local Access and Transport Area (LATA)

3.5.1 Chattanooga LATA

Apison	Dayton	McCaysville	Spring City
Benton	Decatur	Nine Mile	Stevenson, AL
Bridgeport (GA)	Dunlap	Noble, GA	Tennga
Charleston	Fall Creek Falls	Ooltewah	Trenton, GA
Chattanooga	Georgetown	Pikeville	Villanow, GA
Chickamauga, GA	High Point, GA	Ringgold, GA	West Brow, GA
Cleveland	Jasper	Rising Fawn, GA	Whitwell
College Station	Kensington, GA	Rossville	
Collegedale	Lafayette, GA	Soddy Daisy	
Copper, Basin	Liberty	South Pittsburg	
Dayton			

3.5.2 Knoxville LATA

Athens	Halls Cross Roads	New Tazewell	Sharps Chapel
Ball Play	Harriman	Newport	Sneedville
Bean Station	Huntsville	Niota	Solway
Bent Creek	Jefferson City	Norris	Sunbright
Bulls Gap	Jellico	Oak Ridge	Surgoinsville
Chestnut Hill	Kingston	Oakdale	Sweetwater
Claxton	Knoxville	Oliver Springs	Tate Springs
Clinton	La Foliate	Oneida	Tellico Plains
Coker Creek	Lake City	Petros	Vonore
Concord	Lenoir City	Powell	Wartburg
Dandridge	Loudon	Riceville	Washburn
Deer Lodge	Madisonville	Robbins	Waterville
Englewood	Maryville	Rockwood	W. Sweetwater
Etowah	Mascot	Rogersville	White Pine
Gatlinburg	Maynardville	Rutledge	
Greenback	Morristown	Sevierville	

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SECTION 3 - SERVICE AREAS, (CONT'D.)

3.5 List of Exchanges by Local Access and Transport Area (LATA), (Cont'd.)

3.5.3 Memphis LATA

Adamsville	Dyer	Mason	Rutherford
Alamo	Dycersburg	Mason Hall	Sardis
Arlington	Friendship	Maury City	Savannah
Atwood	Gibson	McKenzie	Scotts Hill
Bells	Gleason	Medina	Selmer
Bessie Bend	Grand Junction	Memphis	Sharon
Bethel Springs	Greenfield	Michigan City	Shelby Forest
Big Sandy	Halls	Middleton	Shiloh
Bolivar	Henderson	Milan	Sidonia
Bradford	Heming	Milledgeville	Somerville
Brazil	Henry	Millington	South Moscow
Brownsville	Hemando	Moscow	Stanton
Bruceton	Hombeak	Mount Pleasant	Tiptonville
Byhalia	Humboldt	Munford	Trenton
Camden	Huntingdon	Newbem	Trezevant
Cedar Grove	Jackson	Olive Branch	Trimble
Chulahoma	Jordan	Palmersville	Troy
Collierville	Kenton	Paris	Union City
Covington	Lagrange	Parsons	W. Whiteville
Decaturville	Latham	Ridgely	Whiteville
Dresden	Lexington	Ripley	Yellow Creek
Drummonds	Martin	Rosemark	Yorkville

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SECTION 3 - SERVICE AREAS, (CONT'D.)

3.5 List of Exchanges by Local Access and Transport Area (LATA), (Cont'd.)

3.5.4 Nashville LATA

Adams Cedar Hill	Culleoka	Hendersonville
Alexandria	Cumberland City	Highland
Ardmore, AL	Cunningham	Hillsboro
Ashland City	Defeated	Hillsdale
Auburntown	Dibrell	Hohenwald
Baxter	Dickson	Huntland
Beech Grove	Dover	Jamestown
Beersheba	Doyle	Kingston Springs
Belfast	Eagleton	Laeger
Bethpage	East Sango	Lafayette
Blanche	Elkwon	Lavergne
Bon Decroft	Erin	Lawrenceburg
Byrdstown	Estill Springs	Lebanon
Carthage	Ethridge	Leoma
Celina,	Fairview	Lewisburg
Centertown	Fayetteville	Liberty
Centerville	Five Points	Linden
Chapel Hill	Flat Creek	Livingston
Charlotte	Flintville	Lobelville
Chestnut Mound	Fosterville	Loretto
Clarkrange	Franciscoalabama	Lyles
Clarksville	Franklin	Lynchburg
Clifton	Fredonia	Lynnville,
College Grove	Gainesboro	Manchester
Collinwood	Gallatin	McBurg
Columbia	Goodlettsville	McEwen
Cookeville	Gordonsville	McMinnville
Cookeville South	Granville	Milton
Comersville	Green Grove	Minor Hill
Crawford	Greenbrier	Monteagle
Cross Plains Orlinda	Hampshire	Monterey
Crossville	Hartsville	Moss

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SECTION 3 - SERVICE AREAS, (CONT'D.)

3.5 List of Exchanges by Local Access and Transport Area (LATA), (Cont'd.)

3.5.4 Nashville LATA, (cont'd.)

Mount Juliet	South Oak Grove, KY
Mount Pleasant	Sparta
Murfreesboro	Spencer
Nashville	Spencer Mill
New Johnsonville	Spring Hill
Nolensville	Springfield
Norene	St. Joseph
Normandy	Summertown
North Spring Hill	Tansi
North Springs	Temperance Hall
Oak Grove	Tennessee Ridge
Old Hickory	Tracy City
Old Zion	Triune
Palmyra	Tullahoma
Pelham	Unionville
Petersburg	Vanleer
Pleasant Hill	Veto
Pleasant Shade	Viola
Pleasant View	Wartrace
Portland	Watertown
Pulaski	Waverly
Red Boiling Springs	Waynesboro
Rickman	Westmoreland
Rock Island	White Bluff
Sango	White House
Santa Fe	Williamsport
Sewanee	Winchester
Shelbyville	Woodbury
Smithville	Woodland
Smyrna	
South Cunningham	
South Fredonia	

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SECTION 4 - SERVICE CHARGES AND SURCHARGES

4.1 Service Order and Change Charges

Non-recurring charges apply to processing Service Orders for new service, for changes in service, and for changes in the Customer's primary interexchange carrier (PIC) code.

	Residence	Business
Line Connection Charge		
First Line	\$41.50	\$58.50
Each Additional Line	\$18.00	\$31.00
Line Change Charge		
First Line	\$28.00	\$47.00
Each Additional Line	\$15.00	\$15.00
Secondary Service Order Charge	\$20.00	\$24.00

4.2 Maintenance Visit Charges

Maintenance Visit Charges apply when the Company dispatches personnel to a Customer's premises to perform work necessary for installing new service, effecting changes in service or resolving troubles reported by the Customer when the trouble is found to be caused by the Customer's facilities.

Maintenance Visit Charges will be credited to the Customer's account in the event trouble is not found in the Company facilities, but the trouble is later determined to be in those facilities.

The time period for which the Maintenance Visit Charges is applied will commence when Company personnel are dispatched at the Customer premises and end when work is completed. The rates for Maintenance of Service vary by time per Customer request.

<u>Duration of time, per technician</u>	
Initial 15 minute increment	\$28.00
Each Additional 15 minute increment	\$11.00

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SECTION 4 - SERVICE CHARGES AND SURCHARGES

4.3 Restoration of Service

A restoration charge applies to the restoration of suspended service and facilities because of nonpayment of bills and is payable at the time that the restoration of the suspended service and facilities is arranged. The restoration charge does not apply when, after disconnection of service, service is later re-installed.

	Residence	Business
Per occasion	\$17.00	\$26.00

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SECTION 5 - NETWORK SERVICES DESCRIPTIONS

5.1 General

5.1.1 Services Offered

The following Network Services are available to residence/business Customers and for resale by other carriers certificated by the Tennessee Public Service Commission:

- Standard Residence Line Service
- Standard Business Line Service
- PBX Trunk Service
- Digital Voice Grade DS-1 Trunk Service
- Direct Inward Dial (DID) Service
- Integrated Services Digital Network (ISDN) Primary Rate Interface (PRI)
- Optional Calling Features
- IntraLATA Toll Services (see Access Point, Inc. TN Rate Sheet)
- Private Line Services
- Carrier Access Services

The following services are available to residence/business Customers and are not offered on a resale basis as of the effective date of this page.

- Listing Services (including Non Published and Non-Listed Services)
- Directory Assistance
- Operator Services
- Miscellaneous Services (including Vanity Numbers and Number Portability)

5.1.2 Application of Rates and Charges

All services offered in this tariff are subject to service order and change charges where the Customer requests new services or changes in existing services, as well as indicated Non-Recurring and Monthly Recurring Charges. Charges for local calling services may be assessed on a measured rate basis and are additional to monthly recurring charges shown for Business or Residence lines, PBX Trunks, DID Trunks, Digital/DS1 service, and ISDN PRI.

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SECTION 5 - NETWORK SERVICES DESCRIPTIONS, (CONT'D.)

5.1 General (Cont'd.)

5.1.3 Emergency Services Calling Plan

Access (at no additional charge) to the local operator or emergency services bureau by dialing 0- or 9-1-1 is offered at no charge to the Customer.

Message toll telephone calls, to governmental emergency service agencies as set forth in (A) following, having primary or principal responsibility with respect to the provision of emergency services to persons and property in the area from which the call is made, meeting the definition and criteria of an emergency call as set forth in (B) following are offered at no charge to Customers:

- (A) Governmental fire fighting, Tennessee State Highway Patrol, police, and emergency squad service (as designated by the appropriate governmental agency) qualify as governmental emergency service agencies provided they answer emergency service calls on a personally attended (live) twenty-four (24) hour basis, three hundred sixty-five (365) days a year, including holidays.
- (B) An emergency is an occurrence or set of circumstances in which conditions pose immediate threat to human life, property, or both and necessitate that prompt action be taken. An emergency call is an originated call of short duration to a governmental emergency services agency in order to seek assistance for such an emergency.

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SECTION 5 - NETWORK SERVICES DESCRIPTIONS, (CONT'D.)

5.2 Call Timing for Usage Sensitive Services

Where charges for a service are specified based on the duration of use, such as the duration of a telephone call, the following rules apply:

- 5.2.1 Calls are measured in durational increments identified for each service. All calls which are fractions of a measurement increment are rounded-up to the next whole unit.
- 5.2.2 Timing on completed calls begins when the call is answered by the called party. Answering is determined by hardware answer supervision in all cases where this signaling is provided by the terminating local carrier and any intermediate carrier(s).
- 5.2.3 Timing terminates on all calls when the calling party hangs up or the Company's network receives an off-hook signal from the terminating carrier.
- 5.2.4 Calls originating in one time period and terminating in another will be billed in proportion to the rates in effect during different segments of the call.
- 5.2.5 All times refer to local time.

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SECTION 5 - NETWORK SERVICES DESCRIPTIONS, (CONT'D.)

5.3 Distance Calculations

Where charges for a service are specified based upon distance, the following rules apply:

5.3.1 Distance between two points is measured as airline distance between the rate centers of the originating and terminating telephone lines. The rate center is a set of geographic coordinates, as referenced in Local Exchange Routing Guide issued by BellCore, associated with each NPA-NXX combination (where NPA is the area code and NXX is the first three digits of a seven-digit telephone number). Where there is no telephone number associated with an access line on the Company's network (such as a dedicated 800 or WATS access line), the Company will apply the rate center of the Customer's main billing telephone number.

5.3.2 The airline distance between any two rate centers is determined as follows:

Step 1: Obtain the "V" (vertical) and "H" (horizontal) coordinates for each Rate Center from the above-referenced BellCore document.

Step 2: Compute the difference between the "V" coordinates of the two rate centers; and the difference between the two "H" coordinates.

Step 3: Square each difference obtained in step (b) above.

Step 4: Add the square of the "V" difference and the square of the "H" difference obtained in step C) above.

Step 5: Divide the sum of the squares by 10. Round to the next higher whole number if any fraction is obtained.

Step 6: Obtain the square root of the whole number result obtained above. Round to the next higher whole number if any fraction is obtained. This is the airline mileage.

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SECTION 5 - NETWORK SERVICES DESCRIPTIONS, (CONT'D.)

5.3 Distance Calculations, (Cont'd.)

5.3.3 The formula for distance calculations is:

$$\sqrt{\frac{(V_1 - V_2)^2 + (H_1 - H_2)^2}{10}}$$

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SECTION 5 - NETWORK SERVICES DESCRIPTIONS, (CONT'D.)

5.4 Rate Periods for Time of Day Sensitive Services

5.4.1 For time of day, usage sensitive services, the following rate periods apply unless otherwise specified in this tariff:

	MON	TUES	WED	THUR	FRI	SAT	SUN
8:00 AM TO 5:00 PM*	DAYTIME RATE PERIOD						
5:00 PM TO 11:00 PM*							
	EVENING RATE PERIOD						
11:00 PM TO 8:00 AM*	NIGHT/WEEKEND RATE PERIOD						

* Up to but not including.

5.4.2 Calls are billed based on the rate in effect for the actual time period(s) during which the call occurs. Calls that cross rate period boundaries are billed the rates in effect in that boundary for each portion of the call, based on the time of day at the Customer location.

5.4.3 For services subject to holiday discounts, the following are Company recognized national holidays, determined at the location of the calling station. The evening rate is used on national holidays, unless a lower rate normally would apply.

New Year's Day	January 1
Memorial Day	As Federally Observed
Independence Day	July 4
Thanksgiving Day	As Federally Observed
Christmas Day	December 25

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SECTION 5 - NETWORK SERVICES DESCRIPTIONS, (CONT'D.)

5.5 Standard Residence Line

A Standard Residence Line provides the Customer with a single, analog, voice-grade telephonic communications channel which can be used to place or receive one call at a time. Standard Residence Lines are provided for the connection of Customer-provided wiring and single station sets or facsimile machines. An optional per line Hunting feature is available for multi-line Customers which routes a call to an idle station line in a prearranged group when the called station line is busy.

5.6 Standard Business Line

The Standard Business Line provides a Customer with a single, analog, voice-grade telephonic communications channel which can be used to place or receive one call at a time. Standard Business Lines are provided for the connection of Customer-provided wiring and single station sets or facsimile machines. An optional per line Hunting feature is available for multi-line Customers which routes a call to an idle station line in a prearranged group when the called station line is busy.

5.7 PBX Trunk Service

Basic PBX Trunk Service provides a Customer with a single, voice-grade telephonic communications channel which can be used to place or receive one call at a time. Basic Trunks are provided for connection of Customer-provided private branch exchanges (PBX) to the public switched telecommunications network. Each Basic PBX Trunk is provided with touch tone signaling and may be configured into a hunt group at no additional charge with other Company-provided Basic PBX Trunks. The signal is an analog signal at the DS0 level.

Basic Trunks provided via On-Network services may be equipped with Direct Inward Dialing (DID) capability and DID number blocks for additional charges. DID service in an Off-Network arrangement requires special DID capable trunks plus additional DID number blocks.

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SECTION 5 - NETWORK SERVICES DESCRIPTIONS, (CONT'D.)

5.8 Digital Voice Grade DS-1 Trunk Service

Digital Voice Grade DS-1 Trunk Service provides business Customers with PBX or PBX-like equipment or other telephonic equipment with access to switch ports. Customers can purchase this capability for both primary service (listed directory number) and diversity purposes. Customers must have the ability to terminate a DS1 signal. The signal is delivered as a digital signal at the DS1 level. The connection to the Customer's equipment is accomplished using a DS1 for digital connectivity.

5.9 Direct Inward Dialing (DID) Service

Direct Inward Dialing ("DID") permits calls incoming to a PBX system or other Customer Premises Equipment to be routed to a specific station without the assistance of an attendant. DID calls are routed directly to the station associated with the called number. DID service as offered by the Company provides the necessary trunks, telephone numbers, and out-pulsing of digits to enable DID service at a Customer's location. DID service requires special PBX software and hardware not provided by the Company. Such hardware and software is the responsibility of the Customer.

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SECTION 5 - NETWORK SERVICES DESCRIPTIONS, (CONT'D.)

5.10 Integrated Services Digital Network (ISDN) Primary Rate Interface (PRI)

Integrated Services Digital Network (ISDN) is a set of transmission protocols that provides end-to-end digital connectivity and integration of voice, data and video, on a single Customer loop to support a wide variety of services via the public switched network. The Primary Rate Interface (PRI) consists of a 23B+D configuration with 23 64Kbps Bearer (B) digital channels and 1 64Kbps Data (D) digital channel. The B channels are designed for voice, data, image and sound transmissions. B channels can support synchronous, asynchronous or isochronous services at rates up to 64Kbps. B channels can be aggregated for higher bandwidth applications. The D channel PRI provides the out of band signaling, call control and messaging.

PRI is provided through standard four wire DS-1 (1.544Mbps) point to point, private line facilities that enables Customer control of the 24 individual channels. PRI supports 1+, 0+, 7 digit, and 10 digit Local, IntraLATA and InterLATA services, as well as 01+ and 011+ international calling. PRI allows Customers to direct voice, data and video over the Public Switched Telephone Network. Channels may be pre-subscribed to an IXC carrier of their Customer's choice or used with 10XXX casual dialing. PRI also allows access to Public Switched Network services, such as Two-Way, Incoming Only, Outgoing Only and DID.

Multiple PRI interfaces can be combined to function as one group. Utilizing a Backup D Channel arrangement, Customers are able to link up to 20 DS-1s together, providing a maximum of 479 64Kbps B channels controlled by a single D (signaling) channel.

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SECTION 5 - NETWORK SERVICES DESCRIPTIONS, (CONT'D.)

5.11 Optional Calling Features

The features listed in Section 5.11.1 are offered by the Company to Residential and Business Customers. Service availability may vary between On-Net and Off-Net Customers. Refer to Price Lists in Sections 6 and 7 of this tariff for specific features offered with each type of local exchange service.

5.11.1 Feature Descriptions

- (A) **Enhanced Call Forwarding:** Provides end-user control for call forwarding capabilities via dial-accessed voice prompt menus. Customers may forward calls to a primary local or long distance. The end-user may specify a secondary location for routing of go unanswered at the forward-to location or reach a busy signal. This secondary location may be another telephone number, pager or voice messaging service. Other Capabilities included with this feature include:

Speed Forwarding;
Priority Screening;
Ring Control; and
Timed Forwarding.

It is the responsibility of the Customer to subscribe to the telephone number, pager or voice messaging service used as the secondary location.

- (B) **Enhanced Call Forwarding with Audio Calling Name:** Provides all of the functionality of Enhanced Call Forwarding. Also permits the end-user to receive the Directory Name of the party's whose call was forwarded to primary number. In some situations, the end-user may hear the calling party's city and state or telephone number, depending on available call data.
- (C) **Enhanced Call Forwarding Plus:** Provides all of the functionality of Enhanced Call Forwarding. Also includes an additional telephone number with directory listing and distinctive ringing for calls placed to the additional number. Enhanced Call Forwarding Plus allows parties to reach the end-user's location when FCF is active and all calls to the end-users main telephone number would normally forward. Calls to the additional number do not forward even when Enhanced Call Forwarding is active.

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SECTION 5 - NETWORK SERVICES DESCRIPTIONS, (CONT'D.)

5.11 Optional Calling Features, (Cont'd.)

5.11.1 Feature Descriptions, (cont'd.)

- (D) **Enhanced Call Forwarding Plus with Audio Calling Name** - Provides all of the functionality of Enhanced Call Forwarding Plus including the additional telephone number with listing and distinctive ringing. Also permits the end-user to receive the Directory Name of the party's whose call was forwarded to primary number. In some situations, the end-user may hear the calling party's city and state or telephone number, depending on available call data.
- (E) **Call Forwarding Variable** - Permits the end-user to automatically forward (transfer) all incoming calls to another telephone number, and to restore it to normal operation at their discretion. The end-user must dial an activation code from his/her exchange line along with the forward-to number in order to turn the feature on. A separate code is dialed by the end-user to deactivate the feature.
- (F) **Call Forwarding Variable, Remote Access** - Permits the end-user to automatically forward (transfer) all incoming calls to another telephone number, and to restore it to normal operation at their discretion. The end-user must dial an activation code along with the forward-to number in order to turn the feature on. A separate code is dialed by the end-user to deactivate the feature. Feature activation may be performed from the end-user's exchange line or remotely from some other line. Remote access requires the end-user to 1) dial a special access number 2) enter their seven-digit telephone number and 3) enter a personal identification number prior to forwarding their calls.
- (G) **Call Forwarding Don't Answer, Basic**: Permits the forwarding of incoming calls when the end-user's line remains unanswered after a pre-designated ringing interval. The ringing interval before forwarding and the forward-to number are fixed by the service order.

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SECTION 5 - NETWORK SERVICES DESCRIPTIONS, (CONT'D.)

5.11 Optional Calling Features, (Cont'd.)

5.11.1 Feature Descriptions, (cont'd.)

- (H) **Call Forwarding Don't Answer w/ Ring Control:** Permits the forwarding of incoming calls when the end-user's line remains unanswered after a pre-designated ringing interval. The forward-to number is fixed by the service order. However, the end-user has the ability to change the time interval before forwarding occurs at his/her discretion.
- (I) **Call Forwarding Don't Answer w/ Customer Control:** Permits the forwarding of incoming calls when the end-user's line remains unanswered after a pre-designated ringing interval. The ringing interval before forwarding and the forward-to number are fixed by the service order. However, the end-user has the ability to turn the feature on or off at his/her discretion.
- (J) **Call Forwarding Busy Line, Basic:** Permits the forwarding of incoming calls when the end-user's line is busy. The forwarded number is fixed by the end-user service order.
- (K) **Call Forwarding Busy Line w/ Customer Control:** Permits the forwarding of incoming calls when the end-user's line is busy. The forwarded number is fixed by the end-user service order. However, the end-user has the ability to turn the feature on or off at his/her discretion.
- (L) **Call Waiting - Basic:** Call Waiting provides a tone signal to indicate to a Customer already engaged in a telephone call that a second caller is attempting to dial in. It permits the Customer to place the first call on hold, answer the second call and then alternate between both callers. Cancel Call Waiting is provided with the feature and allows a Call Waiting end-user to disable the Call Waiting feature for the duration of a single outgoing telephone call. Cancel Call Waiting is activated by dialing a special code prior to placing a call, and is automatically deactivated when the Customer disconnects from the call.

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SECTION 5 - NETWORK SERVICES DESCRIPTIONS, (CONT'D.)

5.11 Optional Calling Features, (Cont'd.)

5.11.1 Feature Descriptions, (cont'd.)

- (H) **Call Forwarding Don't Answer w/ Ring Control:** Permits the forwarding of incoming calls when the end-user's line remains unanswered after a pre-designated ringing interval. The forward-to number is fixed by the service order. However, the end-user has the ability to change the time interval before forwarding occurs at his/her discretion.
- (I) **Call Forwarding Don't Answer w/ Customer Control:** Permits the forwarding of incoming calls when the end-user's line remains unanswered after a pre-designated ringing interval. The ringing interval before forwarding and the forward-to number are fixed by the service order. However, the end-user has the ability to turn the feature on or off at his/her discretion.
- (J) **Call Forwarding Busy Line, Basic:** Permits the forwarding of incoming calls when the end-user's line is busy. The forwarded number is fixed by the end-user service order.
- (K) **Call Forwarding Busy Line w/ Customer Control:** Permits the forwarding of incoming calls when the end-user's line is busy. The forwarded number is fixed by the end-user service order. However, the end-user has the ability to turn the feature on or off at his/her discretion.
- (L) **Call Waiting - Basic:** Call Waiting provides a tone signal to indicate to a Customer already engaged in a telephone call that a second caller is attempting to dial in. It permits the Customer to place the first call on hold, answer the second call and then alternate between both callers. Cancel Call Waiting is provided with the feature and allows a Call Waiting end-user to disable the Call Waiting feature for the duration of a single outgoing telephone call. Cancel Call Waiting is activated by dialing a special code prior to placing a call, and is automatically deactivated when the Customer disconnects from the call.

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SECTION 5 - NETWORK SERVICES DESCRIPTIONS, (CONT'D.)

5.11 Optional Calling Features, (Cont'd.)

5.11.1 Feature Descriptions, (cont'd.)

- (M) **Call Waiting - Deluxe:** Allows the end-user to control the treatment applied to incoming calls while the Customer is off-hook on an existing call. This feature includes the capabilities of Call Waiting Basic plus additional call treatment options. Treatment options offered with Call Waiting Deluxe include:

Answer the waiting call and placing the first party on hold;
Answer the waiting call and disconnecting from the first party;
Direct the waiting caller to hold via a recording
Forward the waiting caller to another location (e.g., voice mailbox or telephone answering service)

Full utilization of Call Waiting Deluxe requires specialized CPE not provided by the Company. It is the responsibility of the Customer to provide the necessary CPE. The end -user must have Caller ID Basic or Deluxe for display of calling party identification information for waiting calls. The end-user must have a Call Forwarding Don't Answer feature active in order to forward a waiting call to another location.

- (N) **Call Waiting - Deluxe with Conferencing:** Provides all of the functionality of Call Waiting Deluxe. Also permits the end-user to conference a waiting call with an existing call (first party) and, if desired, subsequently drop either leg of the conferenced call.
- (O) **Caller ID - Basic:** Permits the end-user to view a Directory Number of the calling party on incoming telephone calls. Information is displayed on a specialized CPE not provided by the Company. The feature also provides the date and time of each incoming call. It is the responsibility of the Customer to provide the necessary CPE.

SECTION 5 - NETWORK SERVICES DESCRIPTIONS, (CONT'D.)

5.11 Optional Calling Features, (Cont'd.)

5.11.1 Feature Descriptions, (cont'd.)

- (P) **Caller ID - Deluxe:** Permits the end-user to view a Directory Name and Directory Number of the calling party on incoming telephone calls. Information is displayed on a specialized CPE not provided by the Company. The feature also provides the date and time of each incoming call. It is the responsibility of the Customer to provide the necessary CPE. In some situations, the calling party's city and state may be displayed rather than a Directory Name, depending on available call data.
- (Q) **Anonymous Call Rejection:** Permits the end -user to automatically reject incoming calls when the call originates from a telephone number which has blocked delivery of its calling number (see Calling Number Delivery Blocking). When active, calls from private numbers will be routed to a special announcement then terminated. The feature may be turned on or off by the end-user by dialing the appropriate feature control code. Anonymous Call Rejection is offered as a stand alone feature or as an add-on to Caller ID Deluxe.
- (R) **Call Block:** Allows the end-user to automatically block incoming calls from up to six end-user pre-selected telephone numbers programmed into the feature's screening list. Callers whose numbers have been blocked will hear a recorded message stating that their call has been blocked. The end-user controls when the feature is active, and can add or remove calling numbers from the feature's screening list.
- (S) **Call Return:** allows the Customer to return a call to the last incoming call whether answered or not. Upon activation, it will re-dial the number automatically and continue to check the number every 45 seconds for up to 30 minutes if the number is busy. The Customer is alerted with a distinctive ringing pattern when the busy number is free. When the Customer answers the ring, the call is then completed. The calling party's number will not be delivered or announced to the call recipient under any circumstances.

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SECTION 5 - NETWORK SERVICES DESCRIPTIONS, (CONT'D.)

5.11 Optional Calling Features, (Cont'd.)

5.11.1 Feature Descriptions, (cont'd.)

- (T) **Call Selector:** Allows a Customer to assign a maximum of 15 telephone numbers to a special list. The Customer will hear a distinctive ring when calls are received from telephone numbers on that list.
- (U) **Call Tracing:** Allows the tracing of nuisance calls to a specified telephone number suspected of originating from a given local office. The tracing is activated upon entering the specified dial code. The originating telephone number, outgoing trunk number or terminating number, and the time and date are generated for every call to the specified telephone number can then be identified.
- (V) **Calling Number Delivery Blocking:** Prevents the delivery, display and announcement of the end-user's Directory Number and Directory Name on all calls dialed from an exchange service equipped with this option. When active, the end-user's telephone name and number will not appear on the called party's Caller ID CPE or be disclosed in another way. The feature is available on a per call or per line basis. With per call Calling Number Delivery Blocking, it is necessary for the end-user to dial an activation code prior to placing the call. With the per line version of the feature, all calls are placed with the end-user's number blocked. Per line end-users must dial an activation code prior to use. Per Line Blocking is limited to Customers who subscribe to Non-Published Number Service, Abuse Shelters and Law Enforcement Agencies.*

* Pursuant to TRA rule 1220-4-11, the Company is prohibited from providing any network element or service to telephone solicitors that would block, or otherwise interfere with on a per line basis, the display of the telephone solicitor's name and telephone number on a residential subscriber's caller ID equipment.

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SECTION 5 - NETWORK SERVICES DESCRIPTIONS, (CONT'D.)

5.11 Optional Calling Features, (Cont'd.)

5.11.1 Feature Descriptions, (cont'd.)

- (W) **Message Waiting Indication:** Provides the end-user with an audible (stutter dial tone) or visual (lamp or other CPE display) indication that messages are waiting to be retrieved. Message Waiting Indication can only be activated/deactivated by a voice mailbox or other voice messaging service provided by the Company or third party. It is the responsibility of the Customer to subscribe to a compatible voice messaging service. Visual Message Waiting Indication requires specialized CPE not provided by the Company. It is the responsibility of the Customer to provide the necessary CPE.
- (X) **Multiple Directory Number Distinctive Ringing:** This feature allows an end user to determine the source of an incoming call from a distinctive ring. The end user may have up to two additional numbers assigned to a single line (i.e. Distinctive Ringing - First Number and Distinctive Ringing - Second Number). The designated primary number will receive a normal ringing pattern, other numbers will receive distinctive ringing patterns. The pattern is based on the telephone number that the calling party dials.
- (Y) **Preferred Call Forwarding:** Permits the end-user to automatically forward to another number calls received from up to six end-user pre-selected telephone numbers programmed into the features screening list. The end-user controls when the feature is active, the forward-to number and can add or remove calling numbers from the feature's screening list.

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SECTION 5 - NETWORK SERVICES DESCRIPTIONS, (CONT'D.)

5.11 Optional Calling Features, (Cont'd.)

5.11.1 Feature Descriptions, (cont'd.)

- (Z) **Repeat Dialing:** Permits the end-user to have calls automatically re-dialed when the first attempt reaches a busy number. The line is checked every 45 seconds for up to 30 minutes and alerts the Customer with a distinctive ringing pattern when the busy number and the Customer's line are free. The Customer can continue to make and receive calls while the feature is activated. The following types of calls cannot be reached using Repeat Dialing:

Calls to 800 Service numbers
Calls to 900 Service numbers
Calls preceded by an interexchange carrier access code
International Direct Distance Dialed calls
Calls to Directory Assistance
Calls to 911

- (AA) **Speed Calling:** Permits the Customer to place calls to other telephone numbers by dialing a one or two digit code rather than the complete telephone number. The feature is available as either an eight (8) code list or a thirty (30) code list. Code lists may include local and/or toll telephone numbers. The Customer has the ability to add or remove telephone numbers and codes to/from the a speed calling list without assistance from the Company.

- (AB) **Three Way Calling:** Permits the end-user to add a third party to an established connection. When the third party answers, a two-way conversation can be held before adding the original party for a three-way conference. The end-user initiating the conference controls the call and may disconnect the third party to reestablish the original connection or establish a connection to a different third party. The feature may be used on both outgoing and incoming.

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SECTION 5 - NETWORK SERVICES DESCRIPTIONS, (CONT'D.)

5.12 Listing Services

For each Customer of Company-provided Exchange Service(s), the Company shall arrange for the listing of the Customer's main billing telephone number in the directory(ies) published by the dominant Local Exchange Carrier in the area at no additional charge. At a Customer's option, the Company will arrange for additional listings for an additional charge.

5.12.1 Non-Published Service

This optional service provides for suppression of printed and recorded directory listings. A Customer's name and number do not appear in printed directories or Directory Assistance Bureau records.

5.12.2 Non-Listed Service

This optional service provides for suppression of printed directory listings only. Parties may still obtain the Customer's number by calling the Directory Assistance Bureau.

5.13 Directory Assistance

Provides for identification of telephone directory numbers, via an operator or automated platform. Customers are provided with a maximum of 2 listings per each call to Directory Assistance.

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SECTION 5 - NETWORK SERVICES DESCRIPTIONS, (CONT'D.)

5.14 IntraLATA Long Distance Services

Long Distance Services are available from the Company pursuant to terms, conditions, regulations and rates as provided for in its Tennessee Price List. Service is available for use by Customers twenty-four (24) hours a day. Access Point Long Distance Service enables a User of an exchange access line to place calls to any station on the public switched telecommunications network bearing an NPA-NXX designation associated with points outside the Customer's Local Calling Area. Access Point Long Distance Service is offered for both interLATA and interLATA calling. Customers must arrange for intraLATA and interLATA service from the interexchange carriers of their choice. Customers may choose the Company as their carrier for intraLATA calls and interLATA calls.

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SECTION 5 - NETWORK SERVICES DESCRIPTIONS, (CONT'D.)

5.15 Miscellaneous Services

5.15.1 Main Number Retention

Main Number Retention is an optional feature by which a Customer, who was formally a customer of another certified local exchange carrier at the same premises location, may retain its main telephone numbers and main fax numbers for use with the Company-provided Exchange Services. Main Number Retention service is only available in areas where the Company maintains some form of number retention arrangement with the Customer's former local exchange carrier.

5.15.2 Pay Per Call Blocking/Unblocking

This service provides the option of blocking, or subsequent unblocking, all 900 and 976 calls on a per line basis. The Company will provide for per-line blocking where the Company's switching facilities permit.

5.15.3 Vanity Number Service

This service provides for the reservation of special or unique telephone number and fax number for use with the Company-provided exchange services.

5.15.4 Presubscription Services

This service provides for the Presubscription of local exchange lines provided by the Company to the intraLATA and interLATA long distance carrier(s) selected by the Customer.

5.16 Private Line Services

Refer to Section 12 of this tariff for descriptions of Private Line Services offered by the Company.

5.17 Carrier Access Services

Refer to Section 13 of this tariff for descriptions of Carrier Access Services offered by the Company.

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SECTION 6 - FACILITIES BASED SERVICES

6.1 [Reserved for Future Use]

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SECTION 7 - LOCAL RESALE SERVICES PRICE LIST

7.1 General

Services provided in this tariff section are available on an Resale Service basis. Local Resale Services are provided through the use of resold switching and transport facilities obtained from Other Telephone Companies.

The rates, terms and conditions set forth in the section are applicable where the Company provides specified local exchange services to Customers through resale of BellSouth local exchange services. The rates, terms and conditions set forth in this Section are not applicable to the Company's provision of service within the service area of any other incumbent local exchange carrier or where the Company provides service, in whole or in part, over its own facilities (On-Net). The rates, terms and conditions set forth in this Section are available on a retail basis only and will not be provided for resale to any other carrier.

All rates set forth in this Section are subject to change and may be changed by the Company pursuant to notice requirements established by the Tennessee Public Service Commission. The rates, terms and conditions set forth in this Section are applicable as of the effective date hereof and will not apply to any Customer whose services may have been provisioned through resale of BellSouth's local exchange services, in whole or in part, prior to the effective date hereof.

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SECTION 7 - LOCAL RESALE SERVICES PRICE LIST, (CONT'D.)

7.2 Standard Residence Local Exchange Service

Standard Residence Local Exchange Service provides the Customer with a single, analog, voice-grade telephonic communications channel which can be used to place or receive one call at a time. Standard Residence Local Exchange Service lines are provided for the connection of Customer-provided wiring, telephones, facsimile machines or other station equipment. An optional per line Hunting feature is available for multi-line Customers which routes a call to the next idle line in a prearranged group when the called line is busy.

Local exchange service lines and trunks are provided on a single party (individual) basis only. No multi-party lines are provided. Service is available on a flat rate, measured rate or message rate basis depending on the service plan selected by the Customer. Not all service plans will be available in all areas.

Recurring charges for Standard Residence Local Exchange Service are billed monthly in advance. Usage charges, if applicable are billed in arrears. Usage charges may apply for calls placed from the Customer's line. No usage charges will apply to calls received by the Customer. Non-recurring charges for installation or rearrangement of service are billed on the next month's bill immediately following work performed by the Company.

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SECTION 7 - LOCAL RESALE SERVICES PRICE LIST, (CONT'D.)

7.2 Standard Residence Local Exchange Service, (Cont'd)

7.2.1 Monthly Recurring Charges

The following charges apply to Standard Residence Local Exchange Service lines per month. Rates and charges include Touchtone Service for each line. The rates and charges below apply to service provided on a month-to-month basis.

RATE GROUP	SERVICE TYPE			
	Flat Rate	Measured Rate	Message Rate	RegionServ
Group 1	\$ 7.17	\$5.04	\$3.61	\$4.28
Group 2	\$ 8.08	\$5.65	\$4.04	\$4.28
Group 3	\$ 8.60	\$6.03	\$4.32	\$4.28
Group 4	\$11.26	\$7.89	\$5.65	\$5.23
Group 5	\$11.54	\$8.08	\$5.80	\$5.23

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SECTION 7 - LOCAL RESALE SERVICES PRICE LIST, (CONT'D.)

7.2 Standard Residence Local Exchange Service, (Cont'd)

7.2.2 Other Monthly Recurring Charges

(A) End-User Common Line (EUCL) Recovery Charge

The following charge applies to recovery of End User Common Line charges billed to the Company by the Incumbent LEC.

Single Line Customer, Per Line	\$4.35
Multiline Customer, Per Line	\$6.96

7.2.3 Usage Sensitive Charges and Allowances

(A) Flat Rate Service

No measured or message charges apply to calls placed or received from Flat Rate service lines. Customers receive unlimited calling within their local calling area.

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SECTION 7 - LOCAL RESALE SERVICES PRICE LIST, (CONT'D.)

7.2 Standard Residence Local Exchange Service, (Cont'd)

7.2.3 Usage Sensitive Charges and Allowances, (cont'd)

(B) Measured Service - Standard Usage

Customers will receive the following usage allowance each month:

Standard Usage Allowance \$7.50

This allowance is applied to local calls placed from the Customer's line. Local usage in excess of the allowance will be billed in arrears. Usage is billed in one (1) minute increments with partial minutes counting as one (1) full minute.

MILEAGE BAND	DAY		EVENING		NIGHT/WKD	
	Initial Minute	Additional Minute	Initial Minute	Additional Minute	Initial Minute	Additional Minute
ALL	\$0.0380	\$0.0190	\$0.0247	\$0.0124	\$0.0152	\$0.0076

(C) Message Service

Customers subscribing to Message Service will receive a \$3.00 usage allowance each month. This allowance is applied to local calls placed from the Customer's line. Local usage in excess of the allowance will be billed in arrears. Local usage is billed on a per call basis.

Per Local Call \$0.10

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SECTION 7 - LOCAL RESALE SERVICES PRICE LIST, (CONT'D.)

7.2 Standard Residence Local Exchange Service, (Cont'd)

7.2.3 Usage Sensitive Charges and Allowances, (cont'd)

(D) RegionServ

RegionServ provides local calling from subscriber's home wire center to all wire centers within a 40 mile radius.

Customers will receive the following usage allowance each month:

Monthly Usage Allowance \$12.00

Local usage in excess of allowances specified for the above packages will be billed in arrears. Usage is billed on a per call basis. Usage is billed in one (1) minute increments with partial minutes counting as one (1) full minute. Peak period rates apply from 8 AM to 8 PM Monday through Friday (excluding holidays). Off-Peak period rates apply to all other times.

MILEAGE BAND	PEAK		OFF-PEAK	
	Initial Minute	Additional Minute	Initial Minute	Additional Minute
A / 1-16	\$0.0190	\$0.0190	\$0.0095	\$0.0095
B / 17-30	\$0.0475	\$0.0475	\$0.0238	\$0.0238
C / 31 +	\$0.0950	\$0.0950	\$0.0475	\$0.0475

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SECTION 7 - LOCAL RESALE SERVICES PRICE LIST, (CONT'D.)

7.2 Standard Residence Local Exchange Service, (Cont'd)

7.2.4 Non-Recurring Charges

Non-recurring charges apply to each line installed for the Customer. Non-recurring charges as defined in Section 4.1 of this tariff apply. All such charges will appear on the next bill following installation of the service.

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SECTION 7 - LOCAL RESALE SERVICES PRICE LIST, (CONT'D.)

7.3 Standard Business Local Exchange Service

Standard Business Local Exchange Service provides the Customer with a single, analog, voice-grade telephonic communications channel which can be used to place or receive one call at a time. Standard Business Local Exchange Service lines are provided for the connection of Customer-provided wiring, telephones, facsimile machines or other station equipment. An optional per line Hunting feature is available for multi-line Customers which routes a call to the next idle line in a prearranged group when the called line is busy.

Local exchange service lines and trunks are provided on a single party (individual) basis only. No multi-party lines are provided. Service is available on a flat rate, measured rate or message rate basis depending on the service plan selected by the Customer. Not all service plans will be available in all areas.

Recurring charges for Standard Business Local Exchange Service are billed monthly in advance. Usage charges, if applicable are billed in arrears. Usage charges may apply for calls placed from the Customer's line. No usage charges will apply to calls received by the Customer. Non-recurring charges for installation or rearrangement of service are billed on the next month's bill immediately following work performed by the Company.

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SECTION 7 - LOCAL RESALE SERVICES PRICE LIST, (CONT'D.)

7.3 Standard Business Local Exchange Service, (Cont'd)

7.3.1 Monthly Recurring Charges

The following charges apply to Standard Business Local Exchange Service lines per month. Rates and charges include Touchtone Service for each line. The rates and charges below apply to service provided on a month-to-month basis.

RATE GROUP	SERVICE TYPE			
	Flat Rate	Measured Rate	Message Rate	RegionServ
Group 1	\$25.70	\$18.00	\$22.75	\$23.28
Group 2	\$29.26	\$20.47	\$22.75	\$23.28
Group 3	\$31.11	\$21.80	\$22.75	\$23.28
Group 4	\$37.10	\$25.98	\$27.60	\$26.13
Group 5	\$37.72	\$26.41	\$28.26	\$26.13

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SECTION 7 - LOCAL RESALE SERVICES PRICE LIST, (CONT'D.)

7.3 Standard Business Local Exchange Service, (Cont'd)

7.3.2 Other Monthly Recurring Charges

(A) End-User Common Line (EUCL) Recovery Charge

The following charge applies to recovery of End User Common Line charges billed to the Company by the Incumbent LEC.

Single Line Customer, Per Line	\$4.35
Multiline Customer, Per Line	\$7.84

(B) Hunting (a.k.a. Rotary or Grouping)

The following charges apply to Standard Business Local Exchange lines equipped with Hunting. Rates vary based on Rate Group. Rates for Hunting will be 75% of the rate defined in Section 7.3.1 of this tariff.

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SECTION 7 - LOCAL RESALE SERVICES PRICE LIST, (CONT'D.)

7.3 Standard Business Local Exchange Service, (Cont'd)

7.3.3 Usage Sensitive Charges and Allowances

(A) Flat Rate Service

No measured or message charges apply to calls placed or received from Flat Rate service lines. Customers receive unlimited calling within their local calling area.

(B) Measured Service

Customers subscribing to Measured Service will receive a \$7.50 usage allowance each month. This allowance is applied to local calls placed from the Customer's line. Local usage in excess of the allowance will be billed in arrears. Usage is billed in one (1) minute increments with partial minutes counting as one (1) full minute.

MILEAGE BAND	DAY		EVENING		NIGHT/WKD	
	Initial Minute	Additional Minute	Initial Minute	Additional Minute	Initial Minute	Additional Minute
ALL	\$0.0380	\$0.0190	\$0.0247	\$0.0124	\$0.0152	\$0.0076

(C) Message Service

Customers subscribing to Message Service will receive a \$7.50 usage allowance each month. This allowance is applied to local calls placed from the Customer's line. Local usage in excess of the allowance will be billed in arrears. Local usage is billed on a per call basis.

Per Local Call \$0.10

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SECTION 7 - LOCAL RESALE SERVICES PRICE LIST, (CONT'D.)

7.3 Standard Business Local Exchange Service, (Cont'd)

7.3.3 Usage Sensitive Charges and Allowances, (cont'd)

(D) RegionServ

RegionServ provides local calling from subscriber's home wire center to all wire centers within a 40 mile radius.

Customers will receive the following usage allowance each month:

Monthly Usage Allowance \$25.00

Local usage in excess of allowances specified for the above packages will be billed in arrears. Usage is billed on a per call basis. Usage is billed in one (1) minute increments with partial minutes counting as one (1) full minute. Peak period rates apply from 8 AM to 8 PM Monday through Friday (excluding holidays). Off-Peak period rates apply to all other times.

MILEAGE BAND	PEAK		OFF-PEAK	
	Initial Minute	Additional Minute	Initial Minute	Additional Minute
A / 1-16	\$0.0190	\$0.0190	\$0.0095	\$0.0095
B / 17-30	\$0.0475	\$0.0475	\$0.0238	\$0.0238
C / 31 +	\$0.0950	\$0.0950	\$0.0475	\$0.0475

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SECTION 7 - LOCAL RESALE SERVICES PRICE LIST, (CONT'D.)

7.3 Standard Business Local Exchange Service, (Cont'd)

7.3.4 Non-Recurring Charges

Non-recurring charges apply to each line installed for the Customer. Non-recurring charges as defined in in Section 4.1 of this tariff apply. All such charges will appear on the next bill following installation of the service.

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SECTION 7 - LOCAL RESALE SERVICES PRICE LIST, (CONT'D.)

7.4 Pre-Paid Residence and Business Local Exchange Service

Prepaid Local Exchange Service provides Residence and Business Customers with a single, analog, voice-grade telephonic communications channel which can be used to place or receive one call at a time. Prepaid Local Exchange Service lines are provided for the connection of Customer-provided wiring, telephones, facsimile machines or other station equipment. Hunting is not permitted as an optional feature with Prepaid Local Exchange Service.

Local exchange service lines and trunks are provided on a single party (individual) basis only. No multi-party lines are provided.

With Pre-Paid Local Exchange Service, Customers are allowed:

- 1) unlimited calling within the local exchange calling area (no extended area service or expanded local service provided);
- 2) access to emergency agencies through 911;
- 3) access to toll-free numbers (e.g., 1-800, 888); and
- 4) access to the local operator by dialing "0-"

All other local and long distance services are blocked. Long distance calls placed through and operator may not be billed to the Customer's line directly, on a collect basis or as a third party billing recipient.

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SECTION 7 - LOCAL RESALE SERVICES PRICE LIST, (CONT'D.)

7.4 Pre-Paid Residence and Business Local Exchange Service, (Cont'd.)

7.4.1 Rates and Charges

Service is offered on a flat rate prepaid basis only. No usage or per call charges apply. All non-recurring charges must be paid prior to activation in addition to recurring charges for the first service period. Recurring charges must be pre-paid in order for service to continue uninterrupted into the next service period.

This service is not presently offered by Access Point, Inc. within Tennessee.

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SECTION 7 - LOCAL RESALE SERVICES PRICE LIST, (CONT'D.)

7.5 Business PBX Trunk Service

PBX Trunk service provides a Customer with a single, voice-grade telephonic communications channel which can be used to place or receive one call at a time. Trunks are provided for connection of Customer-provided private branch exchanges (PBX) or other station equipment to the public switched telecommunications network.

PBX Trunks are available to Business Customers as Inward, Outward or Two-Way combination trunks where services and facilities permit.

Each PBX Trunk is provided with touch tone signaling at no additional charge. An optional per trunk Hunting feature is available for Customers which routes a call to the next idle trunk in a prearranged group (see Sections 7.2 and 7.3).

PBX Trunks may also be equipped with Direct Inward Dialing (DID) capability and DID number blocks for additional charges (see Section 7.6).

RATE GROUP	SERVICE TYPE		
	Inward/Two Way Trunk	Message Rate	Add'l DID Trunk
Group 1	\$44.97	\$22.75	\$15.63
Group 2	\$51.21	\$22.75	\$15.63
Group 3	\$54.45	\$22.75	\$15.63
Group 4	\$64.92	\$27.60	\$20.47
Group 5	\$66.00	\$28.26	\$21.14

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SECTION 7 - LOCAL RESALE SERVICES PRICE LIST, (CONT'D.)

7.6 Direct Inward Dialing (DID) Service

Direct Inward Dialing ("DID") permits calls incoming to a PBX system or other Customer Premises Equipment to be routed to a specific station without the assistance of an attendant. DID calls are routed directly to the station associated with the called number. DID service as offered by the Company provides the necessary trunks, telephone numbers, and out-pulsing of digits to enable DID service at a Customer's location. DID service requires special PBX software and hardware not provided by the Company. Such hardware and software is the responsibility of the Customer.

The following charges apply to Customers subscribing to DID service provided by the Company. These charges are in addition to recurring and non-recurring charges for PBX Trunks as shown in Section 7.5 of this tariff. The Customer will be charged for the number of DID Number Blocks (20 numbers per block) regardless of the number of DID numbers utilized out of the available 20 numbers.

	<u>Installation Charge</u>	<u>Monthly Recurring</u>
Establish Trunk Group and Provide 1st Block of 20 DID Numbers	\$ 55.00	\$ 3.23
Each Additional Block of 20 DID Numbers	\$ 55.00	\$ 3.23
DID Trunk Termination:		
Per Inward Only Trunk	\$ 50.00	\$19.00
Per Combination Trunk with Call Transfer	\$250.00	\$42.75
Dual Tone Multifrequency Pulsing Option, Per Trunk	\$ n/a	\$ 7.13
Automatic Intercept Service, Per Number Referred	\$ 16.00	\$ n/a

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SECTION 7 - LOCAL RESALE SERVICES PRICE LIST, (CONT'D.)

7.7 Access Lines for Customer Provided Pay Telephones

7.7.1 General

The Company provides access lines ("CPPT Lines") for connection of Aggregator-provided Pay Telephone equipment to the public switched network. CPPT Lines provide the Aggregator with a single, analog, voice-grade telephonic communications channel which can be used to place or receive one call at a time. CPPT Lines are provided on a single party (individual) basis only. No multi-party lines are provided.

Recurring charges for CPPT lines are billed monthly in advance. Usage charges, if applicable are billed in arrears. Usage charges may apply for calls placed from the CPPT Line subscribed to by the Aggregator. No usage charges will apply to calls received by the Customer. Non-recurring charges for installation or rearrangement of service are billed on the next month's bill immediately following work performed by the Company.

7.7.2 Regulations

- (A) CPPT Lines will be provided only to Aggregators certificated by the Tennessee Public Service Commission. Proof of certification is required prior to installation of service. Service will be disconnected should the Company determine that the Aggregator is no longer certified or has had certification revoked for any reason.
- (B) The Aggregator is responsible for all local and long distance usage charges billed to the CPPT Line. These charges included, but are not limited to, any operator charges for calls billed to the line on a collect or third party basis in the event that the Aggregator does not subscribe to blocking and screening features offered in this tariff.
- (C) Unless otherwise permitted by Commission rule or order, only one Pay Telephone instrument may be connected to each CPPT line.
- (D) Unless otherwise permitted by Commission rule or order, 0- local operator assisted calls must be routed to the Company's operators.

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SECTION 7 - LOCAL RESALE SERVICES PRICE LIST, (CONT'D.)

7.7 Access Lines for Customer Provided Pay Telephones, (Cont'd.)

7.7.2 Regulations, (cont'd.)

- (E) Aggregators subscribing to the Company's CPPT Lines are responsible for compliance with the Commission's "Regulations for Operator and Pay Telephone Services" as adopted in Docket No. U-213322 and any other rules or regulations the Commission may require.

7.7.3 Rates and Charges

Service is provide at Business Flat Rate Local Exchange Service rates and charges as specified in Section 7.3 of this tariff. Each Access Line is provided with touch-tone signaling at no additional charge. Calls placed to Directory Assistance from CPPT Lines will be billed to the Customer at rates and charges found in Section 8.4 of the tariff.

7.7.4 Optional Features

Not available at this time.

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SECTION 7 - LOCAL RESALE SERVICES PRICE LIST, (CONT'D.)

7.8 Optional Calling Features

The features in this section are made available on an individual basis or as part of multiple feature packages. All features are provided subject to availability. Certain features may not be available with all classes of service. Transmission levels for calls forwarded or calls placed or received using optional calling features may not be acceptable for all some uses in some cases.

7.8.1 Features Offered on a Usage Sensitive Basis

The following features are available to all local exchange Business and Residence line Customers where facilities and services permit. Customers may utilize each feature by dialing the appropriate access code. The Customer will be billed the Per Feature Activation Charge shown in the following table each time a feature is used by the Customer. Customers may subscribe to these features on a monthly basis at their option to obtain unlimited use of these features for a fixed monthly charge.

Optional Calling Features	Residence	Business
Three-Way Calling	\$0.90	\$0.90
Call Return	\$0.90	\$0.90
Repeat Dialing	\$0.90	\$0.90
Calling Number Delivery Blocking, Per Call	No Charge	No Charge

Denial of per call activation for Three-Way Calling, Call Return and Repeat Dialing from any line or trunk is available to Customers upon request at no additional charge.

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1100 Crescent Green, Suite 109
Cary, NC 27511

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SECTION 7 - LOCAL RESALE SERVICES PRICE LIST, (CONT'D.)

7.8 Optional Calling Features, (Cont'd.)

7.8.2 Features Offered on Monthly Basis

The following optional calling features are offered to Customers on a monthly basis. Customers are allowed unlimited use of each feature. No usage sensitive charges apply. Multiline Customers must order the appropriate number of features based on the number of lines which will have access to the feature.

Optional Calling Feature	Residence	Business
Flexible Call Forwarding	\$4.75	\$ 9.50
Flexible Call Forwarding with Audio Calling Name	\$6.65	\$10.45
Flexible Call Forwarding Plus	\$6.65	N/A
Flexible Call Forwarding Plus with Audio Calling Name	\$8.55	N/A
Call Forwarding Variable	\$2.85	\$ 2.85
Call Forwarding Variable with Remote Access	\$5.46	\$ 8.55
Call Forwarding Don't Answer - Basic	\$0.95	\$ 4.04
Call Forwarding Don't Answer w/ Ring Control	\$0.95	\$ 4.04
Call Forwarding Don't Answer w/ Customer Control	\$2.85	\$ 5.94
Call Forwarding Busy Line - Basic	\$0.95	\$ 4.04
Call Forwarding Busy Line w/ Customer Control	\$2.85	\$ 5.94
Call Waiting - Basic	\$2.85	\$ 3.71
Call Waiting - Deluxe	\$5.70	N/A

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SECTION 7 - LOCAL RESALE SERVICES PRICE LIST, (CONT'D.)

7.8 Optional Calling Features, (Cont'd.)

7.8.2 Features Offered on Monthly Basis

Optional Calling Feature (cont'd)	Residence	Business
Caller ID - Basic	\$ 6.65	\$ 9.00
Caller ID - Deluxe	\$ 7.13	\$ 9.90
Caller ID - Deluxe w / Anonymous Call Rejection	N/A	\$14.39
Anonymous Call Rejection	\$ 2.85	\$ 3.15
Call Block	\$ 3.80	\$ 4.50
Call Return	\$ 4.28	\$ 4.95
Call Selector	\$ 2.85	\$ 3.15
Call Tracing	\$ 3.80	\$ 4.95
Distinctive Ring (RingMaster I Service)	\$ 3.80	\$ 7.60
Distinctive Ring (RingMaster II Service)	\$ 5.70	\$ 9.50
Star 98 Access	\$ 0.95	\$ 1.90
Preferred Call Forwarding	\$ 2.85	\$ 3.33
Repeat Dialing	\$ 3.80	\$ 5.23
Speed Calling (30 codes)	\$ 3.80	\$ 5.23
Speed Calling (8 codes)	\$ 3.56	\$ 4.28
Three Way Calling	\$ 3.80	\$ 4.28

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SECTION 8 - DIRECTORY ASSISTANCE AND LISTING SERVICES

8.1 Directory Listings

8.1.1 General

The following rules apply to standard listings in light face type in the white pages (alphabetical section) of the telephone directory and to the Directory Assistance records of the Company.

Only information necessary to identify the Customer is included in these listings. The Company use abbreviations in listings. The Company may reject a residence listing which is judged to be advertising. It may also reject a listing it judges to be objectionable. A name made up by adding a term such as Company, Shop, Agency, Works, etc. to the name of a commodity or service will not be accepted as a listing unless the subscriber is legally doing business under that name.

A name may be repeated in the white pages only when only when a different address or telephone number is used.

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SECTION 8 - DIRECTORY ASSISTANCE AND LISTING SERVICES

8.1 Directory Listings, (Cont'd.)

8.1.2 Composition of Listings

(A) Names

The following names may be included in business service listings:

- (1) The name of subscriber or joint user.
- (2) The name of each business enterprise which the subscriber or joint user conducts.
- (3) The name by which the business of a subscriber or joint user is known to the public. Only one such name representing the same general line of business will be accepted.
- (4) The name of any person associated with the subscriber or joint user in the same business.
- (5) The name of any person, firm or organization which subscriber or joint user is authorized to represent, or the name of an authorized representative of the subscriber or joint user.
- (6) Alternative spelling of an individual name or alternative arrangement of a business name, provided the listing in the judgment of the Company, is not for advertising purposes.
The name of a publication issued periodically by the subscriber or joint user.
- (7) The name of an inactive business organization in a cross-reference listing when authorized by such business or organization.
- (8) The name of a member of subscriber's domestic establishment when business service is furnished in the subscriber's residence.
- (9) The name of a corporation which is the parent or a subsidiary of the subscriber.
- (10) The name of a resident of a hotel, apartment house, boarding house or club which is furnished PBX service, may be included in a residence type listing with the telephone number of the PBX service.
- (11) The name of the subscriber to a sharing arrangement.

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SECTION 8 - DIRECTORY ASSISTANCE AND LISTING SERVICES

8.1 Directory Listings, (Cont'd.)

8.1.2 Composition of Listings, (cont'd.)

(B) Designation

The purpose of a business designation is to identify the listed party and not to advertise the business. No designation of the nature of the business is included if this is sufficiently indicated by the name. Where a listed party is engaged in more than one general line of business, one additional business designation may be included in the listing when necessary to identify the listed party. When a listed party has two or more listed telephone numbers or two or more business addresses, designations indicating the branches of the organization may be included where necessary to assist the public in calling.

A designation may include a title to indicate a listed party's official position, but not the name of the firm or corporation with which the individual is connected. Individual names or titles are not shown following the name of a firm or corporation. A term such as "renting agent" may be included in a listing indented under the name of a building, provided the agent maintains a renting office in such a building.

A designation is not ordinarily provided in a residence type listing except for residential service as permitted under the terms of this tariff. A professional designation is permitted on residence service in the case of a physician, surgeon, dentist, osteopath, chiropractor, podiatrist, optometrist, chiropractor, physiotherapist, Christian Science practitioner, veterinary surgeon, registered nurse or licensed practical nurse, provided that the same name and designation is also listed on business service of that subscriber or another subscriber in the same or different directory.

The listing of service in the residence of a clergyman may include the designation "parsonage," "rectory," "parish house," or "manse," and any such listing may be indented under a listing in the name of the church. Where residence service is furnished in a church study, the listing may include the designation "study."

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SECTION 8 - DIRECTORY ASSISTANCE AND LISTING SERVICES

8.1 Directory Listings, (Cont'd.)

8.1.2 Composition of Listings, (cont'd.)

(C) Address

Each residence or non-profit listing may, but does not have to, include the house number and street name of the residence where the telephone service is provided. Other information, such as a building name or a locality designation, may be included to help identify the Customer.

(D) Telephone Number

Each listing may include only one telephone number, except in an alternate telephone number listing where each number listed is considered a line for rate purposes.

A listing may include only the telephone number of the first line of a PBX system or incoming service group, except that a trunk not included in the incoming service group of a PBX system, or the first trunk of a separate incoming service group of a PBX system may be listed to meet special conditions where a corporation and its subsidiaries use the same PBX system.

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SECTION 8 - DIRECTORY ASSISTANCE AND LISTING SERVICES

8.1 Directory Listings, (Cont'd.)

8.1.3 Types of Listings

(A) Standard Listing

A standard listing includes a name, designation, address and telephone number of the Customer. It appears in the White Pages of the telephone directory and in the Company's Directory Assistance records. The designation in the listing will be provided according to the rules in paragraph 8.1.2(D) above.

(B) Indented Listing

An indented listing appears under a standard listing and may include only a designation, address and telephone number. An indented listing is allowed only when a Customer is entitled to two or more listings of the same name with different addresses or different telephone numbers. For example:

Smith, John MD
Office 125 Portland 555-4180
Residence 9 Glenway 555-8345

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SECTION 8 - DIRECTORY ASSISTANCE AND LISTING SERVICES

8.1 Directory Listings, (Cont'd.)

8.1.3 Types of Listings, (cont'd.)

(C) Alternate Telephone Number Listing and Night Listing

Any listed party who has made the necessary arrangements for receiving telephone calls during his or her absence may have an alternate telephone number listing or a night listing, such as the following.

If no answer call (telephone number)
Night calls (telephone number)
Night calls after __PM (telephone number)
Nights, Sundays and holidays (telephone number)
5PM to 9AM weekdays, Saturday until 9AM, Monday and holidays
(telephone number)

Such listing may be furnished as an indented listing or as a sub-caption. The telephone number in such a listing may be that of another service furnished the same subscriber or one of the subscriber's PBX trunks not included in the incoming service group, or the service furnished a different subscriber.

(D) Duplicate Listing

Any listing may be duplicated in a different directory or under a separate geographical heading in the same directory. Such listing may be duplicated in indented form.

(E) Reference Listing

A subscriber having exchange services listed under different geographical headings may have an indented listing in reference form in lieu of a duplicate listing.

(F) Cross Reference Listing

A cross reference listing may be furnished in the same alphabetical group with the related listing when required for identification of the listed party and not designated for advertising purposes.

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SECTION 8 - DIRECTORY ASSISTANCE AND LISTING SERVICES

8.1 Directory Listings, (Cont'd.)

8.1.4 Free Listings

The following listings are provided at no additional charge to the Customer:

one listing for each individual line service, auxiliary line or PBX system.

8.1.5 Rates for Additional Listings - Business Customers

The following rates and charges apply to additional listings requested by the Customer over and above those free listings provided for in Section 8.1.4

Type of Listing	Residential Charge	Business Charge
Reference/Cross Reference:		
- First Line	\$1.14	\$1.71
- Each Additional Line	\$1.14	\$1.71
Alternate Telephone Number/Night Listing:		
- Night, Sundays & Holidays	\$1.71	\$1.71
- First Line	\$1.71	\$1.71
Duplicate Listing:		
2 or More Lines:	\$0.00	\$0.00
- First Line		
- Each Additional Line	\$0.00	\$0.00
Other Duplicate Listings, each	\$0.00	\$0.00
Foreign Listings	\$1.14	\$1.71

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SECTION 8 - DIRECTORY ASSISTANCE AND LISTING SERVICES

8.2 Non-Published Service

8.2.1 General

Non-published service means that the Customer's telephone number is not listed in the directory, nor does it appear in the Company's Directory Assistance Records.

8.2.2 Regulations

This service is subject to the rules and regulations for E911 service, where applicable.

The Company will complete calls to a non-published number only when the caller dials direct or gives the operator number. No exceptions will be made, even if the caller says it is an emergency.

When the Company agrees to keep a number unlisted, it does so without any obligation. Except for cases of gross negligence or willful misconduct, the Company is not liable for any damages that might arise from publishing a non-published number in the directory or disclosing it to some. If, in error, the telephone number is published in the directory, the Company's only obligation is to credit or refund any monthly charges the Customer paid for non-published service.

The subscriber indemnifies (i.e., promises to reimburse the Company for any amount the Company must pay as a result of) and save the Company harmless against any and all claims for damages caused or claimed to have been caused, directly or indirectly, by the publication of a non-published service or the disclosing of said number to any person.

8.2.3 Rates and Charges

There is a monthly charge for each non-published service. This charges does not apply if the Customer has other listed service at the same location; if the Customer lives in a hotel, boarding house or club with listed service; or if the service is installed for a temporary period.

Non-published service charge, per month: \$2.38

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SECTION 8 - DIRECTORY ASSISTANCE AND LISTING SERVICES

8.3 Non-Listed Service

8.3.1 General

Non-listed service means that the Customer's telephone number is not listed in the directory, but does it appear in the Company's Directory Assistance Records.

8.3.2 Regulations

This service is subject to the rules and regulations for E911 service, where applicable.

The Company will complete calls to a non-listed number.

When the Company agrees to keep a number unlisted, it does so without any obligation. Except for cases of gross negligence or willful misconduct, the Company is not liable for any damages that might arise from publishing a non-listed number in the directory or disclosing it to some. If, in error, the telephone number is listed in the directory, the Company's only obligation is to credit or refund any monthly charges the Customer paid for non-listed service.

The subscriber indemnifies (i.e., promises to reimburse the Company for any amount the Company must pay as a result of) and save the Company harmless against any and all claims for damages caused or claimed to have been caused, directly or indirectly, by the publication of a non-listed service or the disclosing of said number to any person.

8.3.3 Rates and Charges

There is a monthly charge for each non-listed service. This charges applies if the Customer has other listed service at the same location; if the Customer lives in a hotel, boarding house or club with listed service; or if the service is installed for a temporary period.

Non-listed service charge, per month: \$1.24

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SECTION 8 - DIRECTORY ASSISTANCE AND LISTING SERVICES

8.4 Directory Assistance Services

8.4.1 Directory Assistance

A Directory Assistance charge applies per local directory assistance call. The Customer may make two (2) requests for a telephone number per call. The Directory Assistance Charge applies regardless of whether the Directory Assistance operator is able to supply the requested number. No charge applies for the first call per month per residence line. Rates and charges for intraLATA and interLATA Directory Assistance service are provided in Access Point, Inc.'s Tennessee Price List.

Each Local Directory Assistance Call	\$0.29
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SECTION 9 - OPERATOR SERVICES

9.1 [Reserved for Future Use]

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SECTION 10 - LONG DISTANCE SERVICES

10.1 General

Customers may subscribe to intraLATA and interLATA long distance services offered by the Company. Such services are described in Access Point, Inc.'s Tennessee Price List. Customers have the option of selecting another carrier as their primary intraLATA and/or interLATA long distance carrier if requested.

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SECTION 11 - MISCELLANEOUS SERVICES

11.1 Carrier Presubscription

11.1.1 General

Carrier Presubscription is a procedure whereby a Customer designates to the Company the carrier which the Customer wishes to be the carrier of choice for intraLATA and interLATA toll calls. Such calls are automatically directed to the designated carrier, without the need to use carrier access codes or additional dialing to direct the call to the designated carrier. Presubscription does not prevent a Customer who has presubscribed to an IntraLATA or InterLATA toll carrier from using carrier access codes or additional dialing to direct calls to an alternative long distance carrier on a per call basis.

11.1.2 Presubscription Options

Customers may select the same carrier or separate carriers for intraLATA and interLATA long distance. The following options for long distance Presubscription are available:

- Option A:** Customer select the Company as the presubscribed carrier for IntraLATA and InterLATA toll calls subject to presubscription.
- Option B:** Customer may select the Company as the presubscribed carrier for IntraLATA calls subject to presubscription and some other carrier as the presubscribed carrier for interLATA toll calls subject to presubscription.
- Option C:** Customer may select a carrier other than the Company for intraLATA toll calls subject to presubscription and the Company for interLATA toll calls subject to presubscription.
- Option D:** Customer may select the carrier other than the Company for both intraLATA and interLATA toll calls subject to presubscription
- Option E:** Customer may select two different carriers, neither being the Company for intraLATA and interLATA toll calls. One carrier to be the Customers' primary intraLATA interexchange carrier. The other carrier to be the Customer's primary interLATA interexchange carrier.

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SECTION 11 - MISCELLANEOUS SERVICES, (CONT'D.)

11.1 Carrier Presubscription, (Cont'd.)

11.1.2 Presubscription Options, (cont'd.)

Option F: Customer may select a carrier other than the Company for no presubscribed carrier for intraLATA toll calls subject to presubscription which will require the Customer to dial a carrier access code to route all intraLATA toll calls to the carrier of choice for each call.

11.1.3 Rules and Regulations

Customers of record will retain their primary interexchange carrier(s) until they request that their dialing arrangements be changed.

Customers of record or new Customers may select either Options A, B, C, D, E or F for intraLATA Presubscription.

Customers may change their selected Option and/or presubscribed toll carrier at any time subject to charges specified in 11.1.5 below:

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SECTION 11 - MISCELLANEOUS SERVICES, (CONT'D.)

11.1 Carrier Presubscription, (Cont'd.)

11.1.4 Presubscription Procedures

A new Customer will be asked to select intraLATA and interLATA toll carriers at the time the Customer places an order to establish local exchange service with the Company. The Company will process the Customer's order for service. All new Customers' initial requests for intraLATA toll service presubscription shall be provided free of charge.

If a new Customer is unable to make selection at the time the new Customer places an order to establish local exchange service, the Company will read a random listing of all available intraLATA and interLATA carriers to aid the Customer in selection. If selection is still not possible, the Company will inform the Customer that he/she will be given 90 calendar days in which to inform the Company of his/her choice for primary toll carrier(s) free of charge. Until the Customer informs the Company of his/her choice of primary toll carrier, the Customer will not have access to long distance services on a presubscribed basis, but rather will be required to dial a carrier access code to route all toll calls to the carrier(s) of choice. Customers who inform the Company of a choice for toll carrier presubscription within the 90 day period will not be assessed a service charge for the initial Customer request.

Customers of record may initiate a intraLATA or interLATA presubscription change at any time, subject to the charges specified in 11.1.5 below. If a Customer of record inquires of the Company of the carriers available for toll presubscription, the Company will read a random listing of all available intraLATA carriers to aid the Customer in selection.

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SECTION 11 - MISCELLANEOUS SERVICES, (CONT'D.)

11.1 Carrier Presubscription, (Cont'd.)

11.1.5 Presubscription Charges

(A) Application of Charges

After a Customer's initial selection for a presubscribed toll carrier and as detailed in Paragraph 11.1.4 above, for any change thereafter, an Presubscription Change Charge, as set for the below will apply. Customers who request a change in intraLATA and interLATA carriers with the same order will be assessed a single charge per line.

(B) Nonrecurring Charges

Per business or residence line, trunk, or port

Initial Line, or Trunk or Port	\$1.49
Additional Line, Trunk or Port	\$1.49

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SECTION 12 - PRIVATE LINE SERVICES

12.1 [Reserved for Future Use]

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SECTION 13 - CARRIER ACCESS SERVICE

13.1 [Reserved for Future Use]

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SECTION 14 - SPECIAL ARRANGEMENTS

14.1 [Reserved for Future Use]

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SECTION 15 - PROMOTIONAL OFFERINGS

15.1 Special Promotions

The Carrier may from time to time engage in special promotional trial service offerings of limited duration (not to exceed ninety days on a per Customer basis for non-optional, recurring charges) designed to attract new subscribers or to increase subscriber awareness of a particular tariff offering. Requests for promotional offerings will be presented to the Commission for its review in accordance with rules and regulations established by the Commission, and will be included in the Carrier's tariff as an addendum to the Carrier's price lists.

15.2 Discounts

The Company may, from time to time as reflected in the price list, offer discounts based on monthly volume (or, when appropriate, "monthly revenue commitment" and/or "time of day" may also be included in the tariff).

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ACCESS POINT, INC..

Attachment K

Y2K Procedures

CERTIFICATE OF SERVICE

Notice is given that on September 7, 2000, Access Point, Inc. filed with the Tennessee Regulatory Authority an Application for a Certificate to Provide Competing Local Telecommunications. A copy of this application is available for inspection at the Tennessee Regulatory Authority or by contacting Technologies Management, Inc., 210 North Park Avenue, Winter Park, FL 32789 for a copy of said application.

- | | |
|--|--|
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Steve Parott, Director Regulatory Affairs
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Guy M. Hicks, General Counsel
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| 3. CenturyTel of Adamsville | 12. Humphreys County Telephone Company |
| 4. CenturyTel of Claiborne | 13. Tellico Telephone Company |
| 5. CenturyTel of Ooltewah-Collegedale
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